For Reference

NOT TO BE TAKEN FROM THIS ROOM

THE UNIVERSITY OF ALBERTA

COMPANY IMAGE:
A CANADIAN STUDY

by

© Richard Basford

A THESIS
SUBMITTED TO THE FACULTY OF GRADUATE STUDIES
IN PARTIAL FULFILMENT OF THE REQUIREMENTS
FOR THE DEGREE
OF MASTER OF BUSINESS ADMINISTRATION

Faculty of Business Administration and Commerce

EDMONTON, ALBERTA
FALL, 1969

UNIVERSITY OF ALBERTA

FACULTY OF GRADUATE STUDIES

The undersigned certify that they have read, and recommend to the Faculty of Graduate Studies for acceptance, a thesis entitled COMPANY IMAGE: A CANADIAN STUDY, submitted by Richard Alfred Basford, in partial fulfilment of the requirements for the degree of Master of Business Administration.

ABSTRACT

The primary purpose of this study was to examine the existing company image and the image change program, of the Hudson's Bay Company, as it applied to Edmonton, Alberta. The study included both empirical and theoretical considerations of company image.

The theoretical approach examined, by library research, company image and its importance. An attempt was made to coordinate and intermingle the thoughts of psychologists and businessmen, to produce a more useful treatment of the subject of image, than would have been made if only group's thoughts had been analyzed.

The empirical research involved the use of gauging the individual's present perception of the Hudson's Bay Company's image, through the use of a questionnaire. Two hundred respondents were tested, by individual interviews. The sample was stratified to include a majority of people in the middle class, which is the target of the Hudson's Bay Company's merchandising communications.

The third major segment of the study was the interpretation of the results, from the questionnaire sample. The questionnaire had gauged the image of the store by three methods:

i) general questionning, without the previous
   mention of the name of the subject of the
   questionnaire,

ii) a judgement question about the Hudson's
    Bay store only, and

iii) a comparative rating of the three major
     downtown stores, the Hudson's Bay Company,
     Eatons, and Woodward's.

To supply a further basis for evaluation, a group of

department managers, from the Hudson's Bay store, in Edmonton,

were given the second and third segments of the questionnaire. The

interpretation, which was then made, attempted to isolate those

characteristics which the respondents felt were weak, strong, or

mediocre, and the reasons for their feelings.

The final conclusion was that the Hudson Bay store's

image appeared relatively strong, but the image change program

had been only superficially accepted. The staff of the store had

contributed to this lack of depth, of the image change, for their

attitudes had not changed noticeably, and this static position had

been transmitted to the customers.

ACKNOWLEDGEMENTS

This thesis would never have been attempted without the germination of the idea by Mr. R. R. Smith, present personnel manager of the Hudson's Bay Store in Edmonton. His thoughts introduced an exciting and challenging subject.

My supervisor, Professor A. O. Robarts, deserves a special acknowledgement for his help and perseverence with somebody who knew so little about his subject. Professor C. C. Montgomery, my second reader, helped me greatly and I am sure found the same problem. I would also thank Professor E. N. Yates, of the Arts Department, who was so constructive in his comments, even though the subject is only vaguely related to his own.

Acknowledgement must also be made to the Hudson's Bay Company, who financed much of the project, and to Mr. H. J. Lemmon, Manager of Corporate Identity for the "Company", who gave me so much information.

For his help in compiling the graphs used I would like to thank Mr. Gordon Young, for his excellent work, and for their typing abilities Miss K. Popowich and Mrs. J. Hilleke should receive accolades because of the numerous mistakes and terrible handwriting they decifered.

TABLE OF CONTENTS

APPENDIX

CHAPTER I

INTRODUCTION

Purpose of the Study

The primary purpose of this study is to examine the present company image and the image change program of the Hudson's Bay Company department stores, as it applies to Edmonton. The study includes both empirical and theoretical considerations of company image. The theoretical approach used is the examination, by library research, of company image and its importance. The empirical research involves the administration of a questionnaire in Edmonton, and the gauging of the present image of the store in question. Based on these results, the study attempts to judge whether the image change program, implemented in September, 1965, by the Hudson's Bay Company, has been successful.

Organization of the Study

The study examines company image from both empirical and theoretical bases. The remainder of Chapter I will serve to introduce the study and includes a short history of the Company. Chapter II is the library research into the theory behind company image. This segment reviews the literature on the meaning of image, the need for image, and the reasons for an image.

change. Chapter III is a review of the reasons the Hudson's Bay decided to change the image of its retail stores, and how they attempted this change. Chapter IV explains the methodology of the empirical research, discusses the questionnaire format and the problems encountered in the research. Chapter V tabulates the results of the study, and analyzes these results. The final chapter summarizes both the theoretical and empiric findings, explains the limitations of the study, and suggests further research which could be useful.

Research Objectives and Significance of the Study

The literature available on the subject of corporate image is normally based on the business experience of the writer. There are very few writings which explain the psychological basis of image and the importance of the image to the company. The theoretical research attempts to coordinate the pertinent literature in business, psychology, and sociology in an attempt to illustrate the importance of image. The empirical research, through the administration of a questionnaire to 200 respondents and to a 30 per cent sample of the managers of the Hudson's Bay Company department store in Edmonton, attempts to estimate the actual image of the store held by Edmontonians. Through comparison with an image study conducted in 1964 by Lippincott and Margulies, the study tries

to measure the change which has occurred, if any, since the

Hudson's Bay implemented its image change program.

History and Background of the
Hudson's Bay Company

The Hudson's Bay Company was incorporated in

1670 by Royal Charter, under the name "The Governor and Company

of Adventurers of England Trading into Hudson's Bay". This is

still the legal title of the firm. "The Company", as it has come to

be known, is the oldest trading concern in the world. Its original

charter granted the Company ownership and exclusive trading rights

to all the land draining into Hudson's Bay, which is approximately

one-half of Canada and all of the Northeastern United States. For

the first two hundred years the Company was engaged solely in the

fur trade and even today is the largest fur trading operation in the

world. The tremendous holdings owned by the company could not

be kept, and in 1870 they were ceded to Canada in exchange for land

in the Prairie Provinces. Since that date all this land has been

sold, but the mineral rights on 4 1/2 million acres have been

retained. The Company's department store operation only evolved

towards the end of the nineteenth century, when trading-posts

became general stores, which in turn became department stores.

The Company's retailing has become so important to it that, in

1967, retailing constituted 82. 5 per cent of the total company sales,

and 72. 0 per cent of profits.

The Hudson's Bay Company, at present, has 8 down-town department stores in major Canadian cities, 25 medium-size department stores and 214 northern stores in smaller communities. Although the northern stores are administered as a separate operation, their finances are included in the balance-sheet under retail-operation.

As well as fur-trade operations and retail stores, the Company also owns 21. 9 per cent of the outstanding common shares of Hudson's Bay Oil and Gas, optioning its mineral rights to this company. The Company also wholesales blankets and spirits in Canada and the United States, and is Canada's largest wholesale distributor of tobacco products. [1]

With this amount of history in its past, it is not surprising that the retail operations of the Company have always been considered in a traditional context. The stores themselves have encouraged this "image" by emphasizing this historic back-ground with their promotions and communications. For example, the signature on the store's parking tickets, their letterhead, and the primary identifier in their advertising was written in "Old-English" letterset, as were the signs on the stores, no matter how modern

---

[1] This information was taken from the 1968 Report and Accounts to the 299th Annual General Court of the Governor and Company of Adventurers of England Trading into Hudson's Bay.

these stores were.   (See Appendix--exhibit one)

On September 18, 1965 the Hudson's Bay Company implemented an image change program.   This program changed the name of the retailing operation to The Bay (see Appendix-- exhibit 2), and introduced new design-elements into the communications.   According to Mr. H. J. Lemmon, the Corporate Identity Manager for the Company, the desired image is one which transmits characteristics of fashion awareness, leadership, modernity, friendliness and competition. [2]

The image-change program was implemented upon the advice of Lippincott and Margulies, a New York consulting firm.   This firm had previously done an extensive image measurement survey in Montreal, Toronto, Winnipeg and Vancouver, which were Canada's four largest markets, at the time, and had designed the image-change program for the Company.

---

[2] This information was communicated to the author by Mr. Lemmon by correspondence on July 18, 1968.

INTRODUCTORY FINANCIAL DATA

The following data is to illustrate the size of the Hudson's Bay Company's operations and the relation of the retailing operation to these total operations:

Year	Total Company Sales x 1000	Retail Stores Sales x 1000	% Retail Stores of Total Sales	Total Company Profits x 1000	Retail Stores Profit x 1000	% Retail Stores of Total Sales
68	424,788	349,968	82.5%	25,594	18,270	70.5%
67	405,174	334,905	81.5%	25,104	17,922	71.5%
66	370,611	307,626	83.0%	23,253	16,428	70.0%
65	347,382	287,526	82.5%	21,129	15,405	73.0%
64	325,833	268,272	82.0%	20,499	14,406	70.5%
63	308,784	253,293	82.0%	19,632	13,716	70.0%
62	254,406	240,985	82.0%	17,677	12,589	71.0%
61	246,490	194,373	79.0%	14,812	11,177	75.0%
60	223,695	168,680	75.5%	14,124	10,103	71.5%
59	214,441	161,356	75.5%	14,036	9,974	71.0%

As can be seen, the importance of the retailing operations has for the last ten years been great.

CHAPTER II

Literature Review

Introduction

A company's image, as perceived by the people involved in any of its operations, can be one of the most important assets a firm possesses. Corporate image has been defined as "the aggregate of all ideas and impressions created in the minds and hearts of people as a result of all activity relating to the company".[1] Corporate image is the mental picture and all the related emotions which a company's verbal and non-verbal communication evoke. Verbal communications are those stimulii which can be heard or read, such as advertising or press releases. Non-verbal communications are those stimulii, which although are not expressed in words, will still affect the person's conception of the communication's source. Image has been called "the interface between the corporation and its publics".[2] An interface is defined by Webster's New World Dictionary as "a surface that lies between

---

[1] A. R. Newell, "Customer Relations and Corporate Images", Public Utilities, May 10, 1962, p. 15

[2] J. N. Riley, "The Nature of the Problem", in The Corporation and its Publics, J. N. Riley, Ed. (John Wiley and Sons, New York, 1963), p. 10

two parts of matter or space and forms their common boundary. "[3]

A company's publics are the distinct groups of people who are affected by that company's actions, such as its customers, employees, suppliers, and creditors. In a more general context, Cutlip and Center have defined the publics as "those groups with common interests affected by the acts and policies of an institution or whose acts or opinions affect the institution". [4] It can be seen that such a potent tool as image, can largely influence the success of an institution or company.

Our present society is characterized by continuous change and rapid realignment of ideas and values. These changing values have formed the basis for this study. As the values of a company's publics alter, so must their perception of the company's image--perception being considered to be based on values and "attitudes borrowed from more meaningful areas of life"[5] and applied to specific experiences. These changes could easily go unnoticed, for as Robert O. Carlson has said, "This shifting back

---

[3] Webster's New World Dictionary, (Nelson, Foster & Scott, Ltd., Toronto, 1966), p. 762

[4] Scott M. Cutlip and Allen H. Center, Effective Public Relations, (Prentice-Hall Inc., Englewood Cliffs, N. J., 1958), P. 67

[5] Gerhart Wiebe, "The Social Dynamics of Corporations --Public Relationships: A Model and a Parable", from Riley Ed. P. 13

and forth at any given time tends to cancel out the favorable and unfavorable moves and contributes to the outward impression of little change."[6]

If a company can introduce an image of its own choosing, have it accepted and adapt it as its publics values alter, its chances of continual success will increase substantially. This adaptation can only be accomplished by constantly measuring the publics' image, comparing it to the company's desired image and then adapting its communication to alter its actual image to its desired image. As John R. Riley has said, "A corporate image is of little value without continuing and systematic information which tells the corporate manager something of the extent to which the image is received and accepted by the various publics to which it is addressed."[7] Without this continuous information a company cannot judge its publics changing values, and thus cannot adapt to them.

Image change must not be regarded as a panacea to make a secondary company the industry leader. If a company's products have been rejected or poorly accepted in the market-place,

---

[6] Robert O. Carlson, "The Nature of Corporate Images", from Riley, Ed. The Corporation, p. 36

[7] Riley. P. 3

it would be fallacious to assume image adaptation would change

this. As Elmo Roper said "no amount of eloquence in print will

redeem a company whose products are below par or simply

unwanted."[8] There must, primarily, be a demand for its services

before image projection techniques can alter a company's position.

Also a company cannot only alter its advertising and expect to

achieve an image-change. The image-change program must also

include the alteration of those internal characteristics, such as

service, quality and reliability, for which the publics have indicated

their dislike.

Meaning of Image

The social peer group is the major conditioning

influence on an individual's interpretation of such stimulii as print-

ed and spoken information, symbolism, and different characterist-

ics, nuances and tones of language.[9] These stimulii, when coming

from a commercial enterprise, conglomerate in a person's mind,

to form his perceived image of that company. Because the peer group

---

[8] Elmo Roper, "Corporate Advertising--What Does It
Say?,"in Saturday Review, April 12, 1962.

[9] Paraphrased from M. S. Heidingsfield, "Building
the Image--An Essential Marketing Strategem", in New Directions
in Marketing, Frederick Webster Jr., Ed. (American Marketing
Association, Chicago, 1965), P. 143

conditioning is such a prime factor in the shaping of perceptions,

a company's image as perceived by one person will nearly mirror

that of a second person. Minor variations between individuals are

caused by personality traits, socio-economic status, present

emotional state and the culture of these people. The most prevalent

interpretation of the stimulii, or communications, is the prevailing

company image. This effect could be likened to a bell-curve,

shown diagrammatically below:

Number
of
People

Bad   Neutral   A   Good   Excellent

COMPANY IMAGE
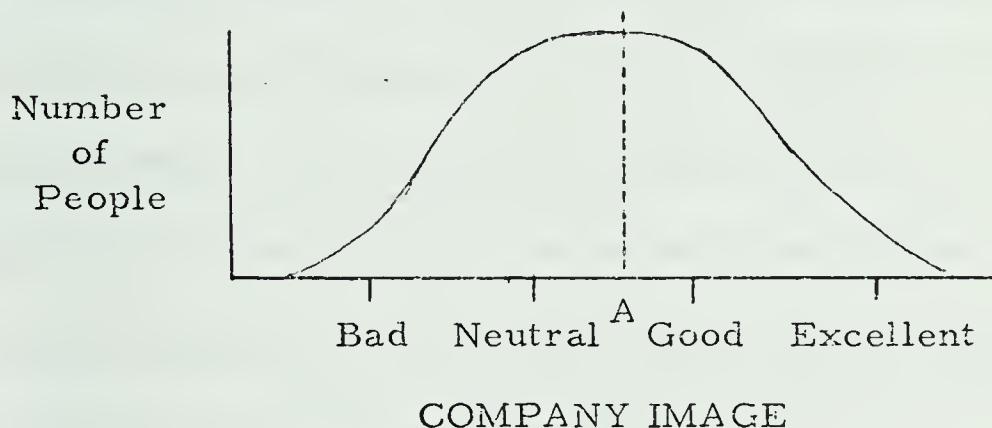
Of course, the shape of the curve would not be as symmetrical as

this example. In the case of this diagram the most prevalent per-

ception is at the point "A", which means the image could be better.

Perception

As was said previously image acts as a liaison between

the corporation and its publics. The way people perceive a com-

pany depends on its communication to them. To consider image,

perception must also be considered, for the communication and its

perception are the ingredients which constitute an image.

Perception is the cornerstone upon which the company image is built. It is "the sum total of sensory impressions from the environment plus the individual's own filling-in. "[10] Perception is midway along a continuum between sensation and cognition. Perception applies the individual's values to the stimulii which are received by sensation, but neglects the use of such cognitive processes as reasoning, judging, remembering and forgetting to them. [11]

The input stimulii are thus interpreted by the individual by first sensing them, and applying the values imparted to him by his peer group to them. It becomes very important for the marketer to know how the symbolism of his communication will be perceived by the individual, in his role as part of the peer group. The norms of the peer group must be known.

Communication

Communication, being the other half of image, is that part of its image a company can control. Every communication a company has with its publics has an effect upon these publics'

---

[10] James H. Myers and William H. Reynolds, Consumer Behavior and Marketing Management (Houghton-Mifflin Company Boston, 1967) P. 3

[11] See John Douglas, George A. Field, and Lawrence X. Tarpey, Human Behavior in Marketing, (Charles E. Merrill Books, Inc., Columbus, Ohio, 1967) P. 84

conception of the image. The most important characteristic of any

communication is to know who instigated the message--the source

of the communication. "There is ample evidence that how the

source is perceived by the audience influences the persuasive

power of the message. "[12] Thus, the image can be equated with the

source's credibility. The greater a company's prestige, the more

persuasive will be that company's communication. The subject of

message source will be more thoroughly treated in the next section,

"The Reasons for an Image Change".

A company's communication, with its publics, must

not be thought of as only its verbal messages, but any stimulii

which emanates from it which can be interpreted by its publics.

Such stimulii as personnel practices, plant design and company pro-

gressiveness communicate the personality of a company, and as

such these "non-verbal" communications affect the way a company

is perceived.

Gestalt Theory

The changes which occur due to an individual's cognit-

ive processes must be known to the marketer. He must know these

---

[12] Harper W. Boyd, Sydney J. Levy, Promotion: A Behav-
ioral View (Prentice-Hall, Inc. , Englewood Cliffs, N. J. 1967)
P. 95

to be able to adapt his communications, to the expectations of his customers. These changes occur over lengthy periods of time. This is because an individual's perception changes only very minutely after each single experience, and it takes time for these gradual changes to affect his attitudes. The variations thus occur in a continuum. The market researcher must continually be trying to measure these changes, to be able to keep his company's image equated with these new values. According to K. E. Boulding, "Image is correct when it correlates to the values of society."[13] The study of people's changing attitudes towards their environment is a separate branch of psychology called Gestalt Theory.

Gestalt Theory is based on the premise that stimulii do not cause the same perceptions each time they are received. These variations are caused by the previously cited cognitive processes which occur after every experience. Gestalt Theory also states that "people engage in a silent organization of the separate stimulus elements to produce a meaningful whole".[14] For example, a large patch of ground surrounded by a fence, covered by thousands of grass plants is not perceived in this segmented

---

[13] Kenneth Ewart Boulding, The Image, (University of Michigan Press, Ann Arbor, Mich. ,1956) Ch. 2

[14] Myers and Reynolds, P. 21

way, but as a field. The same effort at creating sense out of a

large number of stimulii can be found when people consider stores.

They are not considered as many counters, cash registers, man-

nequins, store clerks, ceilings, lights, et cetera, but as a unified,

sensible whole: a store.

Due to these two elements of Gestalt Theory, the

differing perception of input stimulii, and unconscious organization,

the large number of stimulii coming from a store continually, cause

the public's total perception of it to be continually changing.

Image Determinants of Department Stores

A department store cannot rely entirely upon its

advertising to create its image. There are four major identifiable

image determinants:

    a)   the product and brand images of the
         merchandise,

    b)   the impression left by the physical
         appearance of the store,

    c)   the impressions left by the personal
         interractions which occur in the store, and

    d)   the impressions left by the verbal com-
         munications.

a)   Product and brand images--There are many products sold by

a department store, and each has its own image. This mer-

chandise must be chosen carefully, so that it is not

incongruent with the total impression management is trying

to create. The publics', (customers in this case), will not

perceive the brand images as polychotomous, but will group

them together into an impression of that store's merchandise.

Such descriptions as "expensive", "good quality" or "cheap"

are used to describe all the merchandise in a store.

b) Physical plant image--The actual layout of the store, its

lighting, the width of its aisles and other store characteristics

create an image for the store. The type of layout a store

uses must be coordinated with the merchandise it sells, for

people have come to expect different items to be displayed in

certain ways. A dislike can arise for a store that does not

follow these wishes. The locale, with regard to parking, trans-

portation and other stores, is also important to the customer,

for their physical comfort is of primary importance.

c) Personal interraction image--Customers have certain expect-

ations, when they enter a store, about how they are going to be

treated. They would always like to be treated as the most

important person in the store, but they know that this cannot

be so in a large department store. They have learned, by

experience, how they will be treated in different kinds of stores.

If these expectations are not met a negative image of unfriendly

atmosphere and service will develop. People like to see their self-image reflected in their choice of store, and the employees of that store must match this self-image. [15] A store must train its staff to act according to the kind of service it gives, be it self-service or personal, and to the kind of merchandise it is offering, be it low cost or ultra high-fashion. People have expectations, which due to peer group influence are remarkably similar, about the different attributes of the store, and, if these expectations are not met, a form of "cognitive dissonance"[16] will develop and the person will ignore the store.

d) Advertising image--To many people the only contacts with a store are fleeting glimpses of its advertising. To others advertising has formed their attitudes over the years, and they know what to expect from that store. Indeed, Pierre Martineau says, of the women shoppers he has interviewed, many use the advertising from stores to direct them to those stores they consider suitable for their social class--that is,

---

[15] For discussions about self-image see Pierre Martineau, Motivation in Advertising, (McGraw-Hill, New York, 1957), Ch. 15 and Douglas, Tarpey and Field, Human Behavior, Ch. 3

[16] Leon Festinger, A Theory of Cognitive Dissonance, (Row-Peterson, Evanston, Ill., 1957)

fit their self image. [17] Martineau also found an amazing

sensitivity to the class of the store by women, even in cities

where the store, in question, was not present. [18] Advertising

is the only image creator which is verbal communication with

the customer, and is thus more effective in the short-run than

the non-verbal communications previously mentioned.

These four types of image creators or communi-

cations are not considered by the customers as distinct stimulii

but are melded into their total impression of the store: the store

image.

---

[17] Pierre Martineau, "Social Classes and Spending
Behavior" in Marketing Management and Administrative Action,
Steurt Henderson Britt and Harper W. Boyd, Eds. (McGraw-Hill,
New York, 1963) P. 109

[18] Ibid. P. 114

Reasons for an Image Change

The vacillation of a company's public's perception, of that company's image, is the reason why the image must be constantly evaluated and consequently adapted. The changes which occur in the public's perception continually leaves the organization in the "follower" position, being the dependent member of the company-public partnership. As Kenneth Ewart Boulding has said, "When there is a non-conformity between image and values the image will be perceived as incorrect."[19] It thus becomes the organization's responsibility to adapt its communications to equate with the likes and dislikes of the publics. The necessity for continuous adaptation cannot be overemphasized for "a negative image is more potent than a favorable one when it comes to motivating people".[20]

A company must not be reticent about changing its personality if the incoming information suggests it should. What was entirely acceptable a few years ago is of course, using basic Gestalt Theory, not only misunderstood today but out of context with the expectations and the values of the people. The mood

---

[19] Boulding, The Image, P. 26

[20] Aaron Spector, "Basic Dimensions of Corporate Image", Journal of Marketing, Vol. 25, No. 6, Oct. 1961, P. 47-51.

prevalent at present is one of advancement, mobility and adaptability. To remain static and traditional is in direct contradiction of, and in competition with, the populace's conception of how a company should act. Change is regarded as a strong characteristic of any company.

There are three general reasons why a company will attempt to change its image:

- the need for differentiation,

- the need to increase the credibility of the source, and

- the need to adapt to change.

These three reasons will be dealt with below.

The need for differentiation--Every person has a unique appearance. Through this uniqueness we can readily identify those persons with whom we are familiar. We do not necessarily have to like these people or be attracted to them because of their appearance. These people with whom we are acquainted, will stand out of a crowd, but this familiarity is only superficial. To be able to categorize these people as good, bad, interesting or impute other such qualities to them, more than their appearance must be known; their personality must be known and evaluated before value-judgements of this kind can be made. The same requirements hold true for companies. To be able to distinguish

a company's services for what they are is a simple task, but to be able to choose between several companies with comparitive services is more difficult. At this point image becomes important.

The desired image, in this sense is not that the consumer's view the products as the best, although this is certainly desirable, but that the company is always considered in a favorable context. According to Robert O. Carlson, "a product image is related to, but not the same as, the corporate image".[21] Hence, a company must strive to find what characteristics its publics consider the most important then adapt its total communications to convince these publics that the firm has these facets in its character. These communications, it must be realized, are not only the verbal ones, but are all the company's actions which affect its publics.

One way a corporation can achieve a recognized and accepted image is to project a "personality" which is liked by the perceivers of this image. If this "personality" is the same as the self-image the perceiver has of himself, the image will be more easily accepted. Self-image is a term describing how a person, acting impartially, evaluates their own character (the degree of impartiality is dubious). If a firm is described in such terms as

---

[21] Carlson, "The nature of Corporate Images", P. 27

friendly, happy or progressive, by its publics, it has successfully molded its image to the self-concept of these publics. If the "personality" does not fit the self-image, one form of cognitive dissonance[22] can occur; and no matter how much persuasion is tried, a person will be able to legitimize his ignoring the company by "disliking" it. He has thus imputed human qualities to the inanimate company, and finding he dislikes what he sees, has rejected it. If a firm finds that its image is not accepted, it could find that its image does not appeal to the self-image of its publics.

Familiarity, then, is not the key to having the publics consider the company in a favorable context. It is very important, of course, to be sure that the publics are aware of the company's existence, but there is no research to show this aware-ness can create favorable attitudes towards the company.[23] Indeed, if before a concentrated attempt to introduce awareness is made, there are attitudes detrimental to the company present, a person can convert the message into support for his prior feelings. These attitudes must be improved before any company communication will be effective.

---

[22] Festinger "Cognitive Dissonance"

[23] See Carlson, "Corporate Images", pp. 29-30.

<u>The need to increase the credibility of the message</u>

<u>source</u>--The reason the source of a message is so important is

that "when a company directs communications of any kind to con-

sumers or places a new product on the market, consumers evaluate

what they see or hear against the image of the company."[24] Their

image of the company is the amount of confidence the consumer

feels can be placed in the message and, in logical progression, in

the originator of the message. "In this sense, 'credibility' and

'image' are synonymous."[25] Hence, if a company finds that people

do not find it reliable, trustworthy and truthful, it will also find its

messages are being ignored. Nobody likes being fooled or dis-

appointed by a firm's untrustworthy communications. Detrimental

attitudes caused by such experiences linger much longer than

pleasant experiences and are very difficult to erase. An image

change which attempts to increase the communicators credibility

is the most difficult to implement. Long periods of application of

communications about the change and total honesty in all actions is

what is needed to upgrade an image of non-dependability.

---

[24]Myers & Reynolds, P. 31. See also Boyd and Levy,
Ch. 5, pp. 95-104.

[25]Myers and Reynolds. p. 34

The need to adapt to change--Change is the constant
enemy of an image-conscious firm. As Gestalt Theory has said,
a person's experiences mold the way in which he reacts to and
thinks about all his future experiences. As each new experience
occurs a person reacts to it based on the conditioning of his prior
experience. He then evaluates the results based on his actions,
and tries to adapt to become more efficient for the next time he
encounters this happening. In this way his perceptions change.
These changes do not only occur in the segmented areas the
experience affected, but in his total perception and reaction to his
environment. This quality of being malleable is an innate capability
to enable adaptation to allow more efficient reaction to the environ-
ment. The business firm's publics are always changing, and thus
can rapidly cause the firm's image to become incongruent with
their perceptions. It is the responsibility of the firm to be able to
gauge these changes in popular likes and dislikes and adapt to them.
If this is not achieved, the firm can become, as Carlson has called
it, "the prisoner of its image".[26]

Being a "prisoner of its image" was part of the
problem faced by the subject of this study, the Hudson's Bay

---

[26] Carlson, "Corporate Images", P. 38

Company. The name and total communications of the company exhibited its traditional and historic background. This was quickly becoming unacceptable to the store's publics, for, as has been said, the mood prevalent now is one of desire for change and progress. There was also a dichotomy between the store's actual merchandising techniques of the introduction of much extremely modern and fashionable merchandise, and their image which suggested an old, slow-moving company. The customers also preferred stores which showed a progressive attitude and this the Hudson's Bay was not judged to have. The old image had to be changed for this reason alone.

A second kind of change, which the company must adapt to, is the evolvement of itself. A company diversifies and expands and itself causes its image to become out of date. Such firms as petroleum producers, who have diversified extensively, have allowed this myopic development. It is only recently that firms such as Imperial Oil and British-American Oil have begun to adapt their image to reflect their total operations. The Hudson's Bay Company also suffered from this inequality between image and operations. Its stores had developed from the primary provisor for a township, to large department stores in direct competition with other department stores. The Company's stores today are

competitive, modern, progressive and highly fashionable, but their image had not evolved this way. Indeed, the company name was only a slightly shortened version of the original name given to the founders in 1670.

This evolvement of the Company had only come through the progressive attitude of the management. This attitude also, was not reflected in their old image. The management noting these discrepancies, authorized the image-study and consequent image change, which was implemented in September, 1965.

These two kinds of discrepancy between image and company, perception change and company evolvement, cause a variation of "cognitive dissonance" causing rejection or manipulation of the company's communications by the receiver. This occurs because the message is not what he expected should come from this company. That is, "we anticipate what there is for us to see and select out those portions which are likely to be most useful to us in pursuing our goals".[27] The communication can then be efficiently ignored by the person if it does not conform to his anticipation of what communication he will receive from that source.

Once a company realizes the importance of image,

---

[27] Myers and Reynolds, P. 134

it must also realize that this image must be continually evolving to coincide with any changes which occur within itself or its publics, or any discrepancies noted in its relationships with its publics.
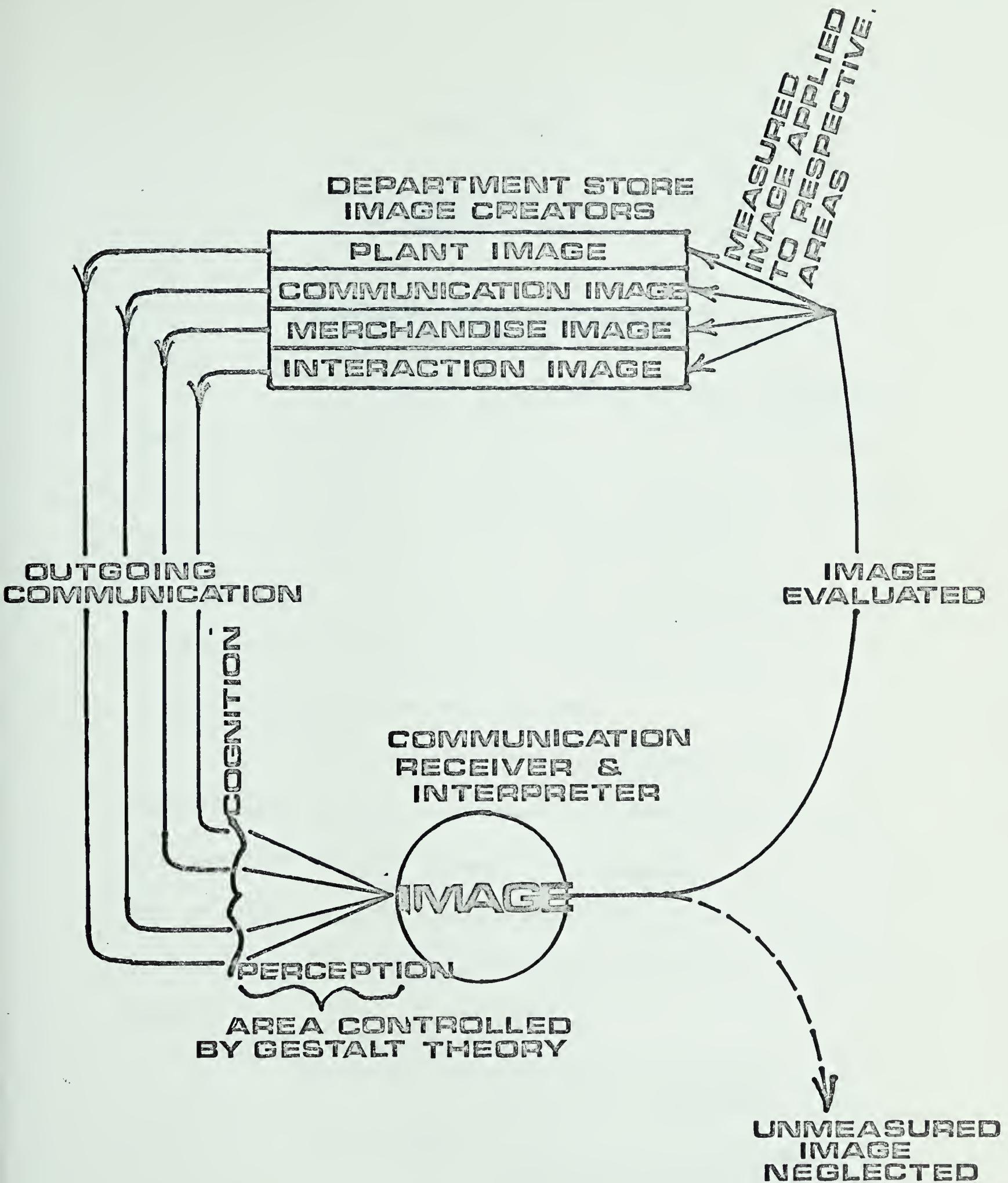
PASSAGE OF COMMUNICATIONS
FROM A DEPARTMENT STORE

CHAPTER III

THE HUDSON'S BAY COMPANY'S
IMAGE CHANGE

Reasons the Hudson's Bay Company
Decided to Change its Image

The Hudson's Bay Company's image, as held by its

publics, prior to the image change program, was not the image

desired by the Company's management. "It was decided that some

design work was needed to achieve uniformity, increase effective-

ness and improve the appearance of our communications with the

public...."[1] To achieve this aim the New York consulting firm of

Lippincott and Margulies were retained.

This firm, the creators of "New Looks" for the

Royal Bank, Chrysler Corporation and Xerox Corporation, pro-

ceeded first to judge the image of the Company as it was. They did

this by conducting 1200 personal interviews in 4 of the major

trading areas across Canada. The interviews were taken as

follows:

    Montreal--302) - 148 English speaking
) - 154 French speaking

    Toronto--397   ) - 99 in the Cloverdale area
) - 98 in the Lawrence Plaza area

---

[1] Bay News, September 1965, P. 3

) - 100 in the Eglinton Square area
) - 100 in the outside areas

Winnipeg--200
Vancouver--201

The total population of these areas is approximately 5,500,000,

which makes a .022 percent sample.

Their questionnaire was specifically designed to

achieve the three following objectives:

- to measure and evaluate the imagery
  characteristics of Hudson's Bay Company
  and Morgan's department stores,

- to compare the image characteristics of
  Hudson's Bay Company and Morgan's
  department stores with those of their
  major competitors, and

- to determine the extent to which the
  image characteristics of Hudson's Bay
  Company and Morgan's department stores
  are compatible with each other. [2]

Morgans is a wholly owned subsidiary of the parent Hudson's Bay

Company, purchased in 1963. Morgans' stores are found in

Montreal, Toronto and other Eastern Canadian centres.

The study concentrated upon seven major areas of

interest, but only four are pertinent to the present study. Such

facets of the respondent's attitudes as shopping experience,

_____

[2] Lippincott and Margulies' report presented to the
Hudson's Bay Company, Vol. 1, P. 3

general impressions of selected department stores, independent

ratings of the imagery of these selected stores, and comparative

ratings of the imagery ratings of the selected stores were

measured. These were the characteristics pertinent to this study.

Those facets which were measured but are not applicable dealt

with name association, awareness and imagery ratings of the

coupling of the Hudson's Bay and Morgans' names.[3]

From their study of the Hudson's Bay's image,

which limits it to Winnipeg and Vancouver, the consultants found

that the image had both good and bad aspects.

The store was found to be considered to have good

quality merchandise, to be reasonably modern, and to have well

trained management. A majority of respondents noted that the

store offered good value and a wide selection of merchandise.

Weaknesses in the image were also found. Respondents considered

the merchandise expensive, the sales-people "snooty" and

uninterested, the atmosphere cold and unfriendly, and felt that

the store was not very progressive.[4]

As a result of the study, Lippincott and Margulies

made several suggestions aimed at upgrading the image. First

---

[3] Ibid., P. 3

[4] Ibid., pp. 12-15

they suggested that the use of The Hudson's Bay Company as the

primary store identifier be stopped and replaced with the more

simple name, The Bay. This name was chosen because it was

found many respondents were already thinking of the store as

The Bay. A second suggestion was that "new design elements be

introduced to make the Company's retail operation look more

modern, fashionable, friendly, competitive and progressive".[5]

The result was the introduction of the ribbon-shaped "B" (see

appendix--exhibit two) and a distinctive "a" and "y" as the primary

store identifier. The color scheme, also introduced at this time,

is ochre. The old store-signature was retained as a secondary

identifier.

Methods the Hudson's Bay Company has
Used in its Image Change Program

The most obvious part of the company's image

change program is the unusual graphic treatment of the letter "B".

The same design treatment has been extended to the "M" in the

Morgan's stores' name, for cross identification and name

association. The use of the identical artwork also introduces the

"umbrella" image by which it is hoped that the good points of the

---

[5] Bay News, Sept. 1965, P. 3

parent company will be associated with the smaller company.

The "umbrella" image also helps organize the communications

into a sensible whole for the receiver of these messages. It gives

direction to the unconscious organization previously mentioned.

The introduction of the Hudson's Bay's artwork into that of Morgan's

is also the initial step in a long range plan to eliminate the

Morgan's name replacing it with the Bay. In both the stores the

old signature of The Hudson's Bay Company, written in Old English,

is used as a secondary identifier.

The new signature is now to be found "wherever the

public comes in contact with the Company".[6] As well as in adver-

tising it is found on parking-garage tickets, cash-register receipts,

budget-accounts and anywhere there is a space to put The Bay. The

only areas where the old title is still used is on formal communi-

cations from the Office of the Canadian Committee, in Winnipeg

(the Company's Canadian head office), and on the yearly reports.

The Bay's Corporate image change program has two

major objectives. The first is to project such qualities as "a pro-

gressive attitude, a contemporary flair for fashion, a friendly spirit

and a responsible sense of service",[7] which the management feels

---

[6] Ibid., P. 2

[7] Ibid., P. 2

are present but were not projected by the old image. The second

objective is a unification of the total communications of the firm.

One of the major discrepancies, in this area, was the abundance

of types of signs found on the stores, themselves (see appendix--

exhibit three). This problem will be corrected by the singular use

of The Bay on all stores (see appendix--exhibit four). This object-

ive has not been accomplished as of October 1968, but apparently

it is underway. The new signage and unification of advertising

symbolism, by the use of the unique artwork and color scheme,

will give the Company's retail operations a more positive character.

The "umbrella" image allows easier identification and greater

cohesion in national advertising and promotions.

There are, of course, other objectives of this

corporate identification program, which although may not be major,

must be realized for the program to be effective. The retailing

operations of the Hudson's Bay Company aims its major merchand-

ising effort "at the broad middle-income group across Canada",[8]

according to Mr. H. J. Lemmon, Corporate Identity manager for

the company. The Bay's new artwork must be attractive to this

---

[8] This information was communicated to the author
by Mr. Lemmon by correspondence on July 18, 1968.

group, and less attractive to those segments at whom the Bay does
not aim its merchandising. A store must choose its customers;
for as Pierre Martineau said, "a store cannot be all things to all
people. "[9]   The new Company signature must also appeal more to
women than to men. A cursory glance at any of the Bay's major
department stores will show that out of approximately 60 depart-
ments in each store, there are, at the most 6 which carry merchan-
dise for men. Hence the new symbolism must try to attract the
middle income women. The use of the new design will undoubtedly
promote this, if it is only by the amount of "white-space"[10] it needs
for its printing. The more "white-space" shown in advertising,
the higher the social class of the reader who responds to the com-
munication.[11] Secondly the new symbol should be successful for
it is easily recognized and is distinctive, and as M. S. Heidingsfield
stated, "a store or an outlet image is mostly based on an almost
fleeting impression by the customer, derived from its physical
appearance, location and symbolism expressed in its advertising
and in-store promotions. "[12]

---

[9] Pierre Martineau, "Social Classes and Spending
Behavior", P. 116

[10] Martineau, Motivation, P. 178

[11] Ibid. , pp. 175-180

[12] Heidingsfield "Building the Image", P. 140

The actual artwork involved in the new graphics is also important. According to Professor Yates of the Art Department, University of Alberta, the design of the ribbon B has both good and bad points. Professor Yates views the new logotype as;

- directed to females around thirty years old,
- directed towards women who are homebuilders,
- directed towards the middle and upper-middle of the social class hierarchy,
- being related to textiles and hence to fashion, in opposition to hardwares and less emotional objects,
- being slightly chintzy, meaning precious but somewhat artificial, and
- being slightly out of place in the realistic environment of Western Canada.

Using Professor Yates' evaluation, it can be seen from his first four observations the design should achieve the managements's stated objectives, while the last two, could detract from its achievement. Professor Yates also considers the design to be easily broken down by the viewer into separate stimulii which, upon reorganization, will not be perceived as the "B". Also the technique of using the older signature, The Hudson's Bay Company, as a secondary identifier was criticized by Yates. He said that the Canadian mentality does not need tradition, and because of this the use of the old name is not a necessity. It also introduces a non-progressive attitude into the customer's conception of the company.
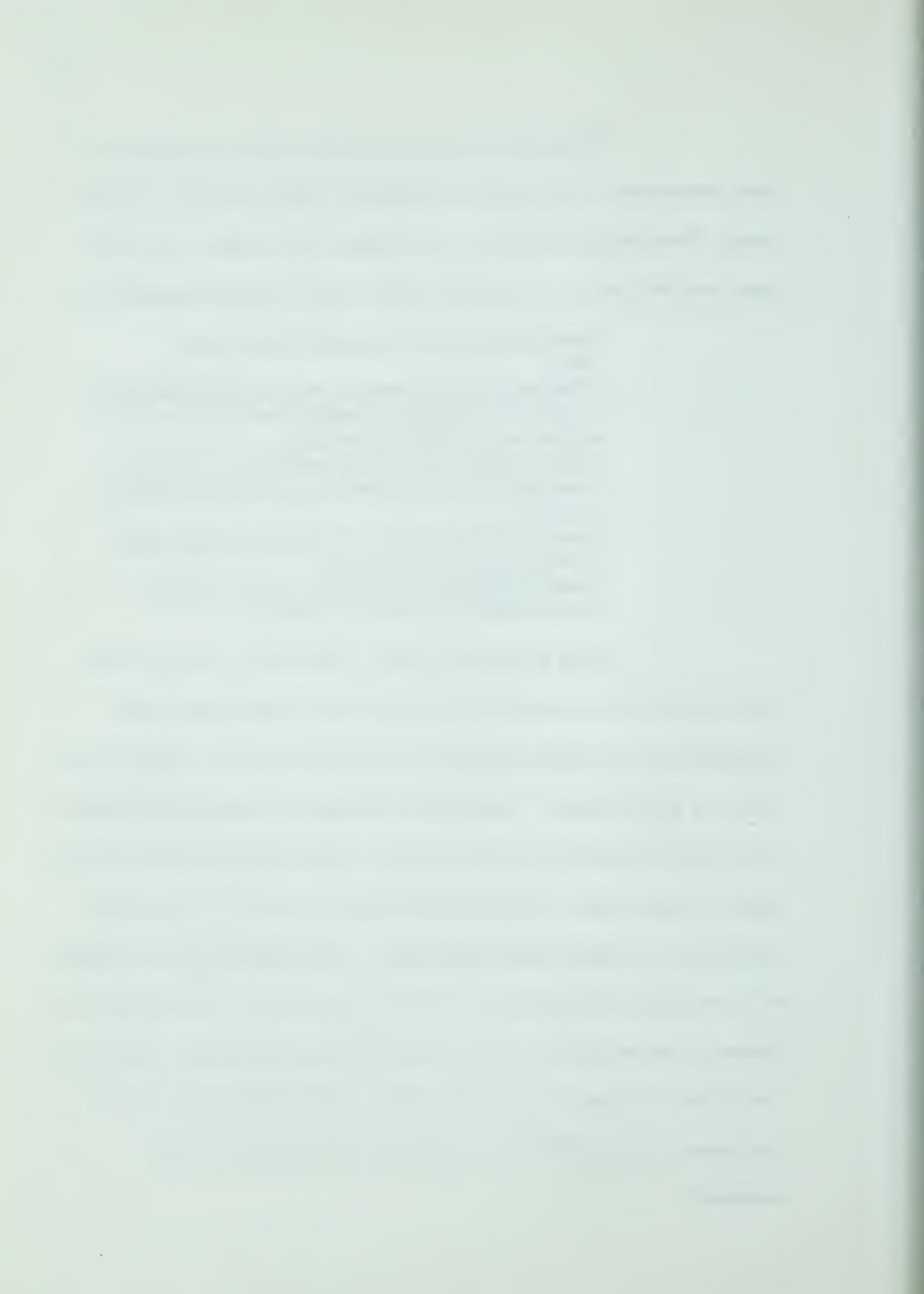
Another objective of an image change is suggested in the discussion of Gestalt principles in Chapter Two. As was stated, if a stimulus is applied continuously and unchanged, the response to this stimulus will change, over time, from high interest to low interest. This was the case with the Hudson's Bay Company. There had not been a conscious effort to change the pattern of stimulii emanating from the Company. A blasé attitude, towards the store, could undoubtedly be expected, if it was not already present. Such negative attitudes as the doubts shown about the Company's progressive character and the feeling of a cold, unfriendly store were symptoms of both the publics growing apathy towards the store and the employees myopic and disinterested tendencies. If the image change did nothing else, it rearranged the stimulus pattern coming from the stores; a change which could only increase the customer's attention.

Since the obvious change in the signature design of the Hudson's Bay's retail operation, there have been other, more subtle changes made. The women's fashion floors in all the major stores have been renovated, giving a more youthful, fashionable appearance to them. This change is designed to add impact to their already female-oriented merchandising, and also designed to increase the strength of their image because "the stores which

present the strongest image are the high fashion ones".[13] The

store is also attempting to become more competitive in many areas,

to try and erase the customer's feeling that the merchandise is

expensive. This was found in the Lippincott and Margulies study

and also in the present one (see Chapter V).

These later internal changes are almost as important

as the initial corporate identification alteration program, for as

Alex Guerry said, "To affect a really substantial change in its image

a company usually has to change its character. Otherwise it will...

fool no one."[14] This idea was also stated by J. Gordon Lippincott,

chairman of Lippincott and Margulies, Inc., when he said

> "No single item like a shopping bag can
> carry the entire load. The prime purpose
> of the bag is to express visually the feel-
> ing that Hudson's Bay is fashionable and
> progressive. Other dimensions like friend-
> liness and service must be largely accom-
> plished by personal relationships between
> employees and your public."[15]

The Hudson's Bay Company is only now reaching the

end of the current corporate identity program as suggested by

------

[13] Stuart V. Rich and Bernard D. Portes, "The 'Image-ries' of Department Stores", Journal of Marketing, April, 1964, p.10-15.

[14] Alex Guerry, in "Corporate Image Makers", from Business Management, Sept. 1967, P. 36

[15] J. Gordon Lippincott, in Bay News, Sept., 1965, P. 4

Lippincott and Margulies; a program which has taken three years to complete. It is hoped the adaptation will not stop now, but will continue to give an ever evolving company image, suitable to the tastes of the day.

be adapted to a structured interview plan.

The first section is a series of seven short answer questions. The first question is designed to single out only those respondents who have shopped in at least one department store during 1968. (The interviews were conducted during the latter part of August, 1968.) This effort to use only experienced department store shoppers was made, to eliminate as much guesswork, by the respondents, as possible, and thus be able to make the most meaningful interpretation of the results.

The remaining six questions were designed to lead the respondents from a generalized consideration of department stores to the consideration of the single store: The Hudson's Bay Company. They also gave the first measure of the amount the new art work, and thus image, of the store had been accepted.

The eighth question was the second segment of the questionnaire, and involved twenty-three sub-parts in which each used the rating system introduced in Osgood's semantic differential technique. The semantic differential is treated in more depth later in this chapter.

The third segment of the questionnaire was question nine. This question placed before the respondent twenty statements about department stores. The respondent was then asked to read

the statements carefully and tell the interviewer which stores under

consideration were brought to mind by the statements. A compar-

ative measure of the attitudes people had was thus obtained.

To provide demographic data, a data-sheet was

compiled after the interview was terminated. This sheet provided

the name and address of the respondent. Also, the interviewer was

required to judge the respondent's age and the condition of the

respondent's home. This was done to allow further demographic

interpretation to be made at a later date.

A questionnaire is included in the appendix as

exhibit 5.

Study Format

The study was conducted exclusively in the City of

Edmonton. It consisted of two parts.

The first part was a random sample of 30 percent

of the department managers in the Edmonton Hudson's Bay store.

The sample size was sixteen. The first and last pages of the

questionnaire were not used for this part.

The second part of the study was to take a sample

of two hundred respondents from all parts of the city and administer

the questionnaire to them. The sample was partially stratified to

allow the majority of the respondents to be from the "broad middle income group" at which the Company aims its merchandising. The stratification was accomplished by first dividing the city into ten zones, using street patterns and geographic boundaries as much as possible. The average selling price of homes in each area was then computed from the data found in the "subdivision-index" map for 1965, compiled by the City of Edmonton. (See appendix-- exhibit six.) Then each zone was apportioned a number of respondents according to the calculated average selling price of the zone's houses. The number of respondents in each area was as follows:

Zone	Number of Respondents	Average Sale Price of homes in zone
1	25	15,868
2	10	12,440
3	25	15,854
4	30	24,449
5	25	18,017
6	20	14,065
7	20	13,444
8	10	11,732
9	10	13,127
10	25	15,804

The total area of the City of Edmonton was covered except for one area. Due to the biasing effects of inflated lot and house prices paid by apartment-house investors in the downtown section of the City, the area south of Jasper Avenue to the North Saskatchewan River and bounded by 100 Street on the east and

124 Street on the west, was not covered by the survey. Other

reasons why this area was not covered were;

- the difficulty of gaining entry into the apartment
  houses,

- the difficulty of acquiring a random sample in
  an apartment, and

- the predominance of younger people in this
  area, which could have biased the results.

Three interviewers were used in the gathering of

the data--all were University of Alberta graduates, and all were

familiar with the layout of the City. Two of the interviewers had

had previous experience in administering questionnaires.

The method used to choose the respondents was as

follows. In each of the ten zones the City had been divided into a

path was drawn. This path followed the pattern of a "Z". The path

followed, as closely as possible, the existing streets and avenues;

a procedure, which at times, severely distorted the pattern of the

"Z". The choice of the respondent's location was left entirely to

the interviewer. Only two stipulations were made:

- that the Z-pattern be followed as closely as
  possible, and

- no two respondents from adjacent houses were
  to be tested. (To insure this, the addresses
  were checked against each other.)

Problems Encountered in the
Administration of the Questionnaire

The problems encountered in the administration of

the quesionnaire were of three major types. First, the girls who

conducted the survey reported difficulty in finding respondents.

The houses visited were invariably empty; even when a person was

home, they sometimes would not cooperate. The girls also found

there was suspicion of their motives. At times, although the inter-

viewee allowed the girl in the home, her full attention was not on the

questionnaire due to her suspicions, or other distractions. When

the interviewer felt the difficulty to be extremely acute, she was

instructed to terminate the interview. There is no way to gauge

the number of respondents who hid their feelings of suspicion, but

were not detected by the interviewer.

Second, there was the difficulty of following the

"Z" pattern. This problem arose when the area being treated was

industrial or sparsely-housed. Some deviation was allowed for;

the girls being allowed to leave the pattern up to a distance of one

city block. Even with this allowed deviation, there arose a prob-

lem in area ten. In the northern section of this area there are

very few houses, forcing the revision of the path way, to the south.

The result was that the north and south "Z" patterns overlapped

slightly. No difficulty should be caused by this revision, for the affected area only needed four respondents.

Finally, there were some problems with the questions within the questionnaire. In question seven, the variation upon the semantic-differential technique, some respondents had difficulty in realizing that there not two questions per line. Again if this difficulty was judged to be very acute, the interviewer ended the interview as soon as was possible.

In question eight, some respondents seemed to become fixated upon one store, or all three stores. These question- naires were judged as acceptable, for this was the person's percep- tion of the answers to the questions asked.

In areas near large suburban shopping centres, the respondents were found to have a poorer knowledge of the downtown stores, and hence compared the Hudson's Bay store or Eaton's with the Woodward's store in their closest major shopping centre. (Woodward's is the only major downtown department store to move to the suburban shopping centres.) This difficulty did not cause a problem for the image being judged was a comparative one between companies, not individual stores. The image of the downtown store is usually mirrored by the suburban, indeed that is the

management's aim, as has been shown by Pierre Martineau[3] in his studies for the Chicago Tribune. This legitimizes the use of these respondents' results.

Reasons for Using the Variation on the Technique of the Semantic Differential

Although the Semantic Differential was not specific-ally developed as a measure of corporate image, it can, through some adaptation, be used as a useful technique in this problem area. One major problem faced by researchers into company image is determining how one should have the respondents evaluate each of the many facets of company image. Another is to bring all these facets to mind to allow them to be evaluated. The Semantic Differential solves both these problems, by first listing all the characteristics judged important, and second by presenting these characteristics on a continuum to allow evaluation.

The technique was introduced by Osgood[4] in 1957. It was designed for the purpose of the measurement of the meaning of words in the English language. As Clevinger states, "The Semantic Differential was first conceived as a device for measur-ing connotative meaning. Specifically the process of Semantic

---

[3] Martineau, Motivation, P. 180

[4] Osgood et al., Measurement of Meaning

Differentiation locates the connotative meaning in a multidimensional space".[5] As many of the characteristics of the concept as possible are supplied to the respondent, by this technique; he is then allowed to choose the degree to which the characteristics are exhibited by the concept. Since this technique was introduced it has been adapted to measure attitudes towards entities as well as concepts. This is how the measurement of corporate images uses the Semantic Differential.

The Semantic Differential has several advantages over other measurement techniques for the measurement of corporate images. First for a large sample, the direction and intensity of the respondent's attitudes toward a company can be quickly detected.

Second, as all the characteristics of the company are brought to mind, a comprehensive picture of the attitudes towards that company is a result.

Third, as the same format can be administered easily again, and again, a continuous measure of the company can be obtained and hence, the direction of the evolvement of this

---

[5] Theodore Clevinger Jr. , Gilbert A. Lazier, Margaret Leitner Clark, "Measurement of Corporate Images by the Semantic Differential", Journal of Marketing Research, Feb. , 1965, P. 80

image can be ascertained.

Fourth, due to the speed of the application of this question, it is not normal for a stereotyped response to be achieved. The respondent, as he is not allowed to ponder his answers, gives an "off-the-top-of-his-head" answer which is a more reliable measurement of his perception than other more considered techniques. This is also the reason the personal interview was used instead of the mail questionnaire approach. The mail questionnaire is not reliable for it does not give the instantaneous answer which is needed. As William A. Mindak has said, "Respondents have too much time to deliberate over their judgements and have too much control over their ratings. Personal supervision is necessary to assure speed and "top-of-mind" responses". [6,7]

There were other reasons for using the Semantic Differential. It was imperative for the questionnaire study to be completed quickly, due to economic and time constraints, and this technique was reliable and quick.

Second, it had to be easy to administer, for the

---

[6] William A. Mindak, "Fitting the Semantic Differential to the Marketing Problem", Journal of Marketing, April 1961, P. 30

[7] This discussion was taken from Mindak, "Fitting the Semantic Differential", pp. 28-30

interviewers had not had a great deal of experience with this type

of questionnaire which relied so much on speed of application. The

format had to be simple enough to understand quickly and easy to

administer.

Finally, this method was decided upon "because it

was believed to provide the closest approach to a ratio-scale of

any of the image rating techniques".[8]

---

[8] Ibid. , P. 30

CHAPTER V

RESULTS AND INTERPRETATIONS

Results

The following is the presentation of the results of
the questionnaire (see appendix) which was administered in August,
1968. The total number of respondents was two hundred. Two
questionnaires were discarded because they were judged unaccept-
able. For questions eight and nine the results obtained from the
study conducted on the Hudson's Bay managers are included, for
comparison.

Question 2--At what major department store in the downtown area

would you expect to find the most fashionable clothes?

Table 3

Rank	Stores Named	Percentage of Responses
1	The Hudson's Bay Company	38.9
2	Johnstone Walker	16.2
3	Women's Shops Topps　　　　　D'Allaird's Walk-Rite　　　Betty Shops Laura Lee　　　Holt Renfrew Donovan's　　　Style Shops Duncan's	13.6
4	Woodward's	12.6
5	Eaton's	9.6
6	Men's Shops Holt Renfrew Alex Hammill Val Berg's	4.5
7	No Opinion	2.6
8	Other Department Stores Army & Navy Zeller's	2.0

Question 3--When you are planning a shopping trip downtown what

is the name of the store you normally plan to visit

first?

Table 4

Rank	Stores Named	Percentage of Responses
1	The Hudson's Bay Company	47. 9
2	Woodward's	25. 3
3	Eaton's	13. 2
4	Miscellaneous Stores Henry Singer's Walk-Rite Harmony Kids Irving Kline Jack & Jill Topps Other Department Stores Army & Navy Zeller's Simpson Sears	4. 5 4. 5
5	Johnstone Walker's	3. 5
6	No particular store	1. 0

Question 4--When you think of the major department store on

Jasper Avenue between 102 Street and 103 Street,

what name do you immediately think of?

Table 5

Store Name Given	Percentage
The Bay	72. 7
The Hudson's Bay Company	16. 2
Wrong Answer	11. 1

Question 5--What color is the sign on their bags and packages?

Table 6

Correct	59. 1%
Incorrect	40. 9%

Question 6--Do you like that color?

Table 7

Yes	55. 0%
No	7. 1%
No opinion	37. 9%

Question 7--Do you like the design on the packages?

Table 8

Yes	54.1%
No	3.0%
No opinion	42.9%

Question 8--For statements referred to as numbers, in the results,

see questionnaire in the appendix.

Table 9

Question	Total Score From Weighting of Responses[1]		Average Evaluation per Respondent	
	Quota Sample	Bay Sample	Quota Sample	Bay Sample
1	-113	+17	-0.57	+1.05
2	+226	+15	+1.14	+0.94
3	+321	+32	+1.62	+2.00
4	+417	+33	+2.10	+2.06
5	+340	+26	+1.73	+1.63
6	+186	+14	+0.94	+ .88
7	+374	+22	+1.89	+1.37
8	+316	+34	+1.59	+2.13
9	+265	+25	+1.34	+1.52
10	+296	+25	+1.50	+1.52
11	+309	+18	+1.56	+1.11
12	+366	+30	+1.85	+1.88
13	+270	+34	+1.36	+2.13
14	+248	+24	+1.25	+1.50
15	+304	+26	+1.53	+1.63
16	+130	+ 7	+0.66	+ .44
17	+274	+15	+1.38	+ .94
18	+191	+12	+0.97	+ .75
19	+352	+33	+1.79	+2.06
20	+264	+30	+1.33	+1.88
21	+293	+ 9	+1.48	+ .56
22	+342	+26	+1.83	+1.63
23	+ 18	+ 9	+0.09	+ .56
		AVERAGE	1.32	1.40

[1] The choices were weighted as the following example illustrates:

+3 +2 +1 -1 -2 -3

good ○ ○ ○ ○ ○ ○ bad

GRAPH I   THE BAY

AVERAGE VALUE OF RESPONSES

GRAPH 2   RANDOM

QUESTION NUMBERS

AVERAGE VALUE OF RESPONSES
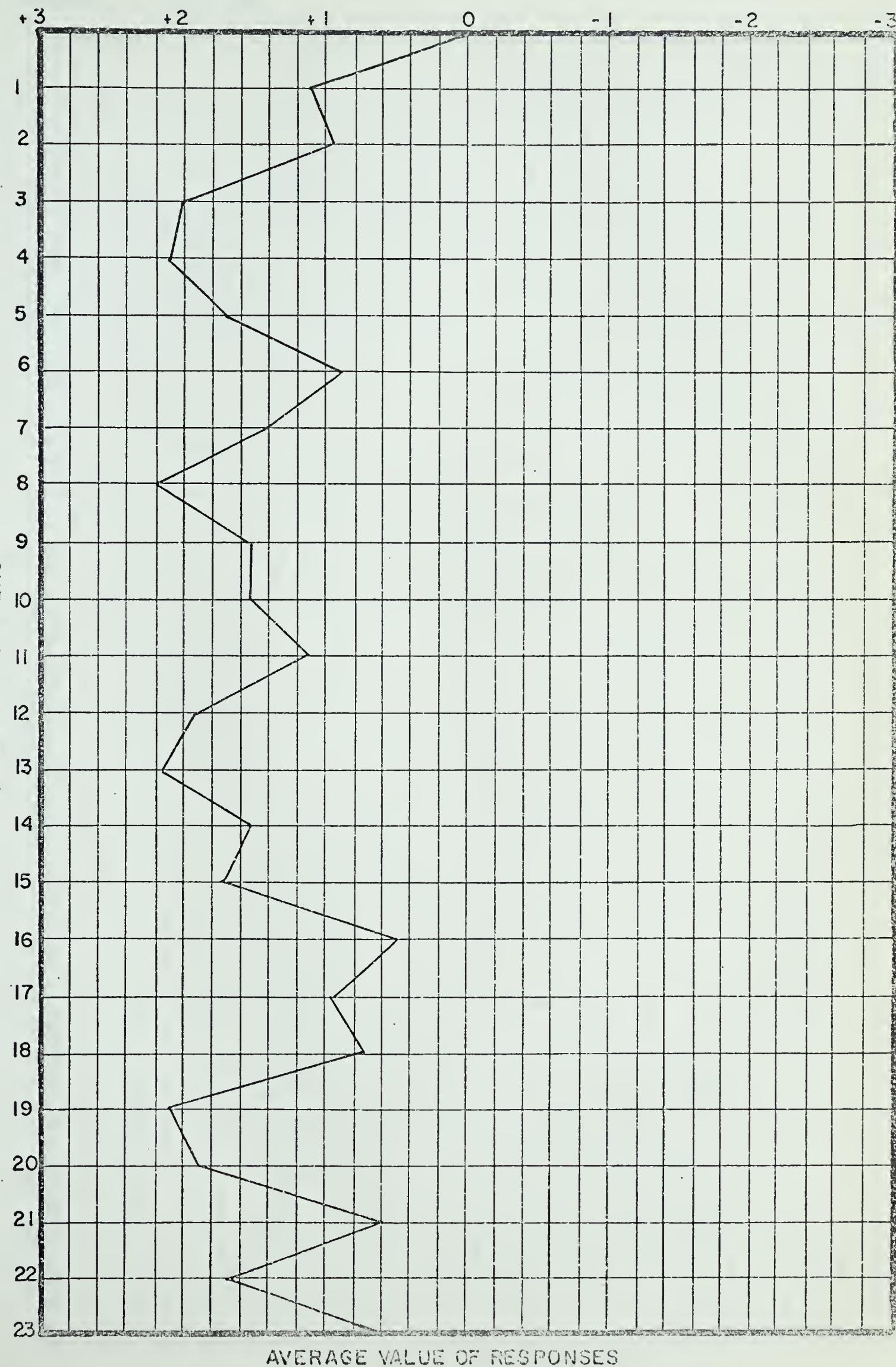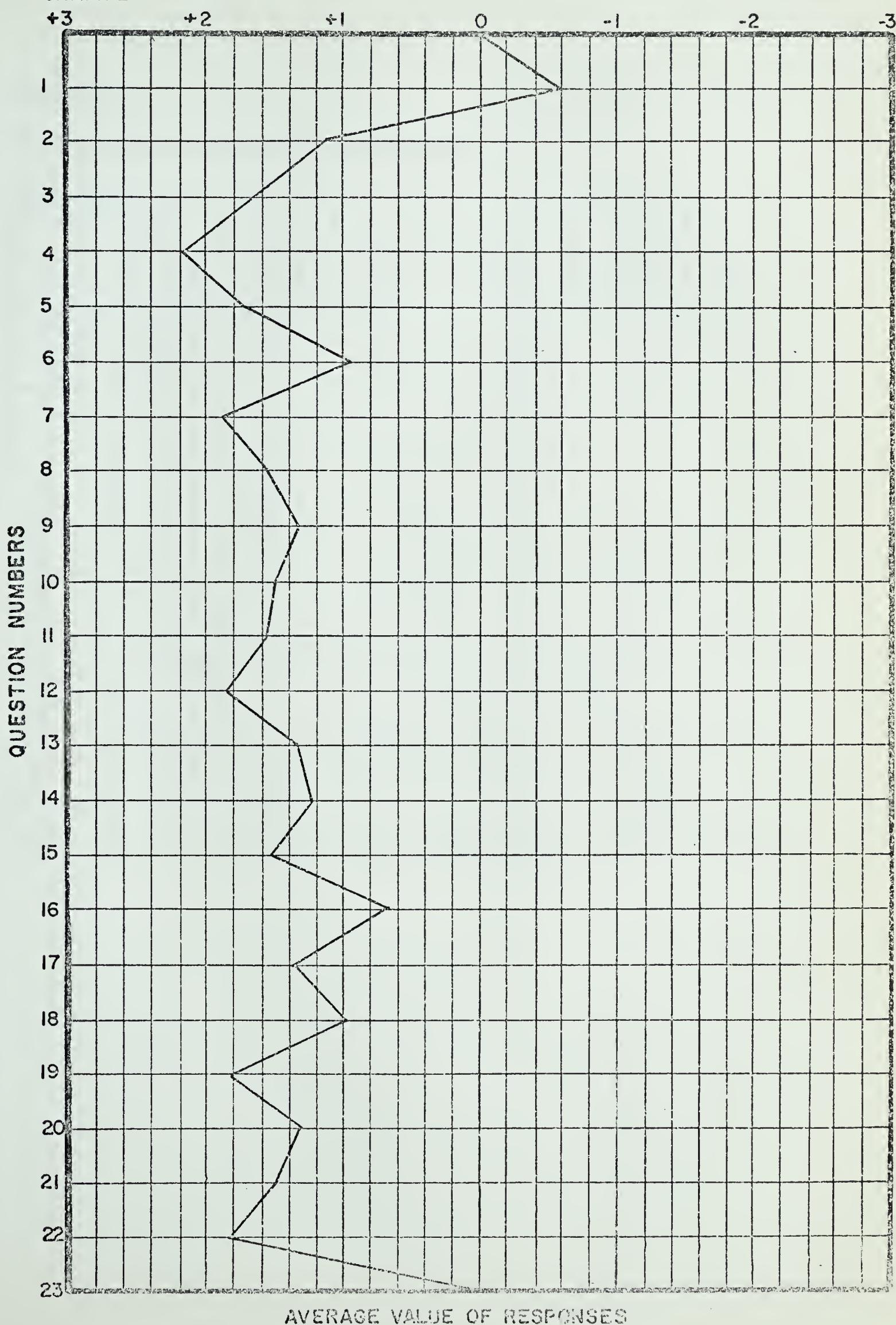
Question 8

Percentages for each choice by Question

Table 10

Question	+3 choice	+2 choice	+1 choice	-1 choice	-2 choice	-3 choice
1	4.1	17.8	21.1	14.2	26.4	18.3
2	16.7	31.0	32.5	9.7	9.1	1.0
3	19.3	47.1	26.0	3.6	3.0	1.0
4	45.2	35.0	15.1	1.6	2.1	1.0
5	29.5	41.1	18.6	16.2	25.2	.5
6	20.3	30.4	21.8	11.2	12.2	4.1
7	33.4	45.5	12.3	4.3	3.5	1.0
8	32.0	33.5	22.9	6.6	4.1	3.0
9	23.8	36.5	20.1	8.7	8.1	1.5
10	25.9	40.0	17.8	8.7	5.6	2.0
11	40.1	26.3	15.5	5.1	8.6	3.4
12	37.6	32.0	22.3	5.6	2.5	0.0
13	23.4	34.5	25.4	8.6	5.6	2.5
14	16.4	36.6	31.4	9.1	4.0	2.5
15	21.3	39.6	29.0	6.6	2.0	1.5
16	12.7	30.4	22.8	19.3	8.7	6.1
17						
18	18.3	31.6	22.3	16.7	8.1	3.0
19	42.7	27.9	18.3	4.0	5.1	2.0
20	13.8	42.1	28.9	10.2	4.0	1.0
21	39.3	38.8	16.9	3.0	2.0	.5
22	29.4	42.5	22.6	4.5	3.0	1.0
23	8.6	17.2	26.4	27.4	11.2	9.2

Chi-Square Correlations for each Choice-Pair

Table 11

	1	2	3	4	5	6	7	8	9	10	11	12*	13	14	15	16	17	18	19	20	21	22	23
1		48.68	50.08	39.52	26.84	23.93	27.96	21.86	42.85	31.27	32.30	21.11	42.43	41.84	40.07	43.72	39.75	41.30	30.53	36.12	30.65	31.94	35.05
2			44.29	27.60	21.28	41.59	37.31	32.96	48.29	28.38	19.65	33.64	37.48	39.68	36.51	39.15	22.48	19.39	44.71	29.14	92.42	43.19	38.04
3				157.87	134.48	75.00	91.52	52.64	53.26	48.06	49.91	90.54	84.58	68.66	80.50	87.55	32.42	67.62	79.86	68.45	92.42	02.39	49.43
4					182.88	76.67	91.81	82.44	43.16	88.57	45.26	74.49	84.78	96.66	77.19	80.20	75.63	34.04	58.79	100.61	68.45	179.64	43.37
5						74.10	105.98	52.76	56.44	65.12	31.80	84.92	77.94	93.97	47.73	47.73	67.27	53.74	45.95	55.63	44.77	44.77	28.13
6							79.75	69.57	45.42	108.44	73.30	61.53	84.66	74.33	77.65	67.27	53.74	71.32	49.65	49.65	36.62	61.54	35.84
7								97.01	74.53	69.60	83.70	88.80	67.21	51.07	51.07	181.04	78.74	32.89	54.60	54.60	36.62	32.12	17.82
8									90.79	104.41	129.08	42.70	85.48	76.17	108.67	76.17	65.21	44.31	66.59	66.59	17.82	29.61	35.02
9										99.92	47.38	48.64	80.71	87.26	58.25	58.25	55.07	59.03	44.41	98.32	49.96	43.66	33.62
10											97.84	72.90	90.86	66.03	87.26	109.00	60.63	56.16	59.03	106.13	92.70	33.66	42.86
11												62.10	52.05	102.56	63.91	132.34	60.00	52.01	56.16	49.19	40.63	42.32	32.12
12													145.80	106.60	89.85	162.62	52.01	67.01	41.26	63.72	59.81	18.61	33.93
13														211.02	83.87	152.22	79.47	57.11	94.47	59.81	18.61	61.54	42.32
14															148.17	117.49	67.01	37.43	36.18	90.89	138.10	70.16	29.61
15																67.55	94.74	89.70	81.17	63.72	90.89	119.62	18.34
16																	104.53	53.44	49.65	81.17	70.16	18.34	40.83
17																		65.95	53.67	72.49	57.77	40.83	62.40
18																			48.62	79.23	50.39	62.40	45.49
19																				86.80	33.09	70.25	39.46
20																					138.17	98.05	47.52
21																						93.24	55.63
22																							44.52
23																							

*Correlations with choice-pair 12 are for 20 degrees of freedom, all others are for 25 degrees of freedom.

Question 9--For statements referred to as numbers in the results,

see questionnaire in the appendix.

--Question nine is the comparative question.

Table 12

Random Sample Percentages	Bay (in percentages)	Eatons (in percentages)	Woodwards (in percentages)
x - 1	35.4%	28.2%	36.4%
2	42.3%	20.9%	36.8%
3	49.4%	9.4%	41.2%
4	41.6%	27.0%	31.4%
5	40.0%	27.9%	32.1%
6	34.5%	25.2%	41.3%
7	40.2%	27.2%	32.6%
8	40.4%	22.3%	36.3%
9	36.4%	29.0%	34.5%
10	28.6%	28.4%	43.0%
y - 1	38.2%	20.0%	41.8%
2	26.8%	14.2%	59.0%
3	39.6%	19.0%	41.4%
4	42.7%	21.7%	35.6%
5	37.6%	24.8%	37.6%
6	37.4%	22.2%	40.4%
7	43.5%	10.5%	46.0%
8	35.0%	26.9%	38.1%
9	36.6%	26.0%	37.4%
10	35.6%	11.8%	42.6%

RANDOM COMPARATIVE RATINGS

THE BAY
EATONS
WOODWARDS

GRAPH 5, QUESTION 9

% OF RESPONDENTS

X QUESTIONS

Y QUESTIONS
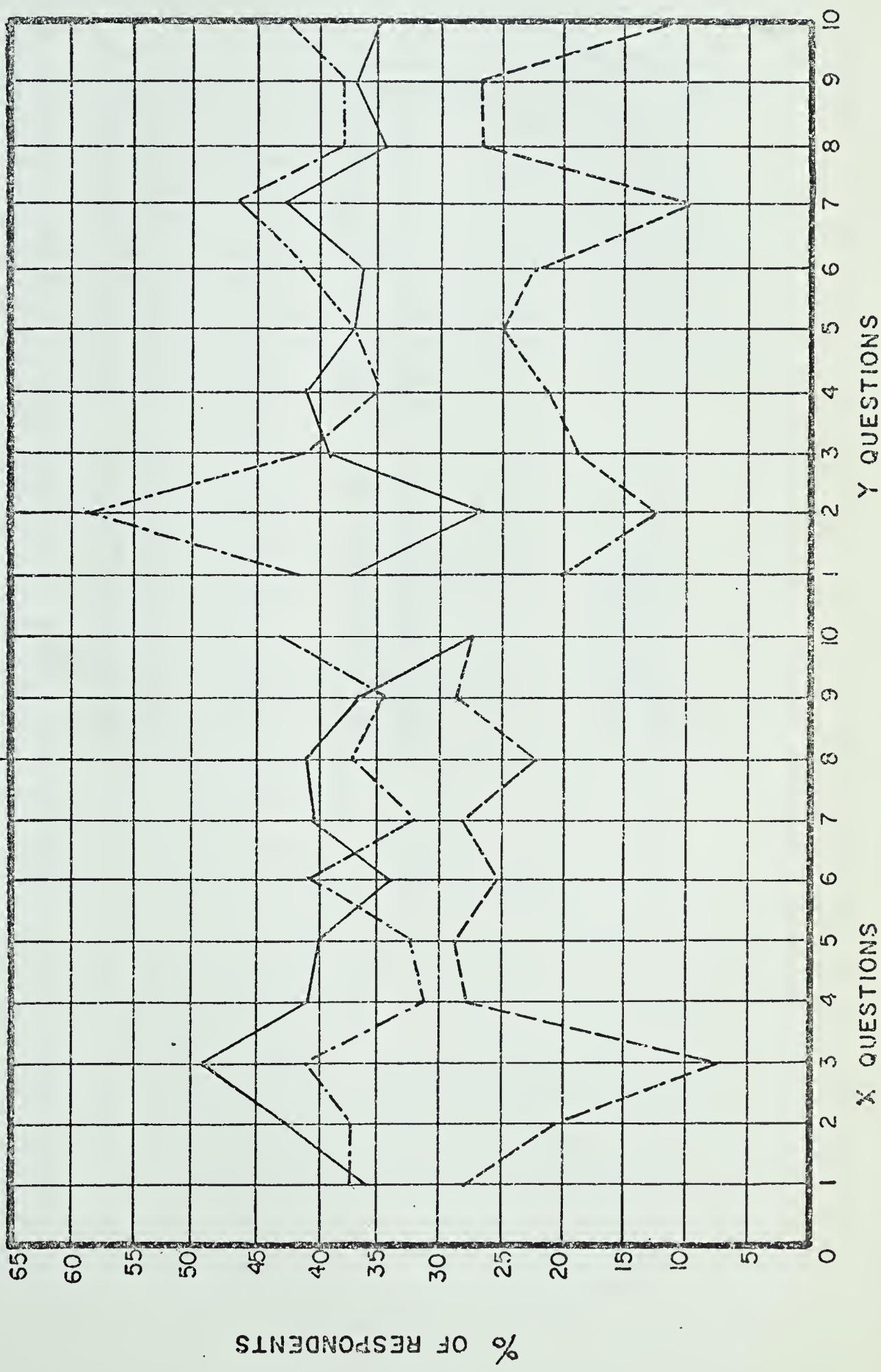
Table 13

Bay Sample Percentage	Bay (in percentages)	Eatons (in percentages)	Woodwards (in percentages)
x - 1	37. 5%	30. 0%	32. 5%
2	52. 2%	21. 7%	26. 1%
3	71. 6%	14. 3%	14. 3%
4	42. 8%	28. 6%	28. 6%
5	37. 5%	45. 8%	16. 7%
6	34. 6%	19. 2%	46. 2%
7	46. 9%	31. 3%	31. 8%
8	47. 4%	10. 5%	42. 1%
9	44. 9%	31. 0%	24. 1%
10	42. 0%	19. 4%	38. 6%
y - 1	30. 0%	0	70. 0%
2	31. 8%	4. 5%	63. 7%
3	37. 6%	6. 3%	56. 1%
4	54. 0%	15. 4%	30. 6%
5	55. 0%	5. 0%	40. 0%
6	51. 9%	11. 1%	37. 0%
7	58. 0%	0. 00	42. 0%
8	33. 3%	25. 9%	40. 8%
9	46. 5%	21. 4%	32. 1%
10	45. 9%	16. 6%	37. 5%

% OF RESPONDENTS

BAY MANAGEMENT COMPARATIVE RATINGS

GRAPH 4, QUESTION 9

THE BAY ————————
EATONS ———————
WOODWARDS ——·——·——
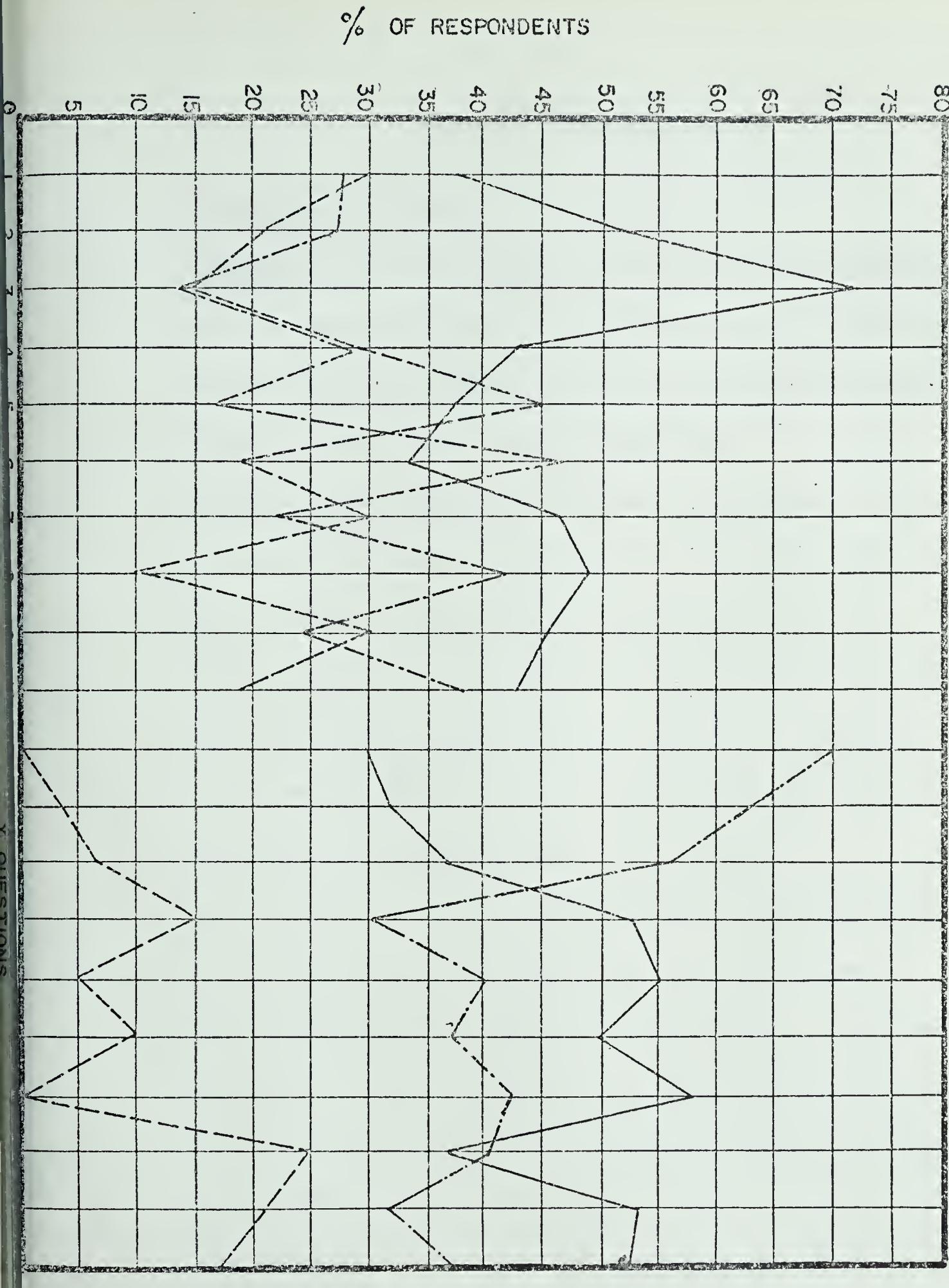
Interpretation and Analysis

Questionnaire--Page 1

Question One--There can be no interpretation from the answers

to question one, for the purposes of this study. All questionnaires

were filled out by respondents who had shopped at a department

store in 1968. There were no exceptions.

Question Two--In the area of fashion, the Hudson's Bay store is

considered far ahead of its nearest rival, Johnstone Walkers, by

more than two-to-one (see table 3). Woodwards, its strongest

competitor for the sales dollar is far down the list, ranking fourth

after the many specialty stores present. The specialty stores

were grouped because it was considered that they formed a

homogeneous competitive group to the "Bay". It is a little surpris-

ing to note the popularity of the smaller Johnstone Walker stores.

This could be due to their presence in shopping centres, and the

ultra modern design of these suburban stores. Comparing this

question's results to the results for question eight (see table 9)

shows the satisfaction the consumers are showing towards the

Hudson's Bay fashion departments. Remembering that this is the

first subjective question of the questionnaire and that there had

been no mention of the "Bay", at this point, the results show a

strong vote of confidence, and a strong fashion image: a favorable

characteristic to own, as has been said.

Question Three--The popularity of the Hudson's Bay store, in

Edmonton, again is exhibited by this question. Almost half

(47. 9%) of the respondents questioned mentioned the store as

being the first one they visit when going on a downtown shopping

trip. This could be due to three reasons. First, the "Bay Park-

ade" is so situated that the first major store the "Parkade" user

approaches, after parking his car, is the Hudson's Bay store.

Second, the store's location is much more central than that of

either of its two main competitors, Eaton's and Woodwards. The

"Bay" store is situated on Jasper Avenue, Edmonton's major

thoroughfare and the main bus route. The other two stores are not

so fortunate. An anomaly is present in the ranking achieved in this

third question by the Johnston Walker's store. This store is on

Jasper Avenue, also, and also has an adjacent parking garage, but

was ranked fifth, for question three, (table four), although it was

ranked second for question two (see table three). Another deviation

from the expected is present in the difference between the results

for Woodward's and Eaton's stores. Woodward's was mentioned by

25 per cent of the respondents and Eaton's 13. 2 per cent, as being

the store they would visit first. As these two are adjacent and

approximately equidistant from Jasper Avenue, it would seem that more than just location and proximity to parking areas affect the choice of store. This third influencing aspect is popularity. The Hudson's Bay exhibits a stronger image to its customers than the other stores, which could be due to its rank of fashion leader (see question two) and its appeal to a broader spectrum of customers than the other stores.

Question Four--This question was designed to serve two purposes. First, to start the respondents considering the Hudson's Bay store; and second, to gauge how many people thought of the store as "The Bay", and how many still considered it "The Hudson's Bay Company". As can be seen from Table 5, "The Bay" is, by far, the most preferred form of reference to the store, but this result cannot be taken as a measure of the image-change program's success entirely; for even before the change, people in Edmonton were calling the Hudson's Bay Company store, "The Bay". This result must be compared to those results shown in table 6. These are a more valid measure of the image change and temper the interpretation of question four.

Question Five--This question, designed to measure the degree of recognition of the new graphics of the Hudson's Bay, showed a greater degree of recognition than ignorance (see table six). The

difference between recognition and ignorance was not as great as it should be, if the new image projecting designs are to be accepted or if the company's communications are being effective. A degree of disinterest can be found from these results.

Questions Six and Seven--Disinterest shown by the respondents in the results of question five appears again in both these questions which deal with the popularity of the company's graphics. Approximately the same percentages like the color and the signage, and the percentage of those with no opinion is also very similar. There could be some rejection of this new image by those with no opinion, as well as those who do not like the graphics. Professor Yates, as has been mentioned, thinks the designs much too ornate for the psyche of the Western Canadian customers, and the dissatisfaction could stem from this. Although both questions received more "yes" votes than both the other votes combined, this majority was not large. Cognitive dissonance could be appearing. Before the image change program "The Bay" was most successful in Edmonton. The customers were happy with the store and business was improving steadily. In the past five years there has been much expansion by the Company's major competitors, and discount department stores have been introduced into Edmonton. The store's business has been increasing but only as much as the

population has been increasing. People could be masking their feelings about the store which they like as a store, but do not like its graphics and its attempt to portray itself as being modern, contemporary and progressive. These people are not sure the store is all the things it is purporting to be and are thus unable to make a decision about it.

Chi-Square Analysis of Selected Questions from Page One

Chi-square (X^2) analysis was performed upon the following question pairs: two to five, three to five, four to five and five to six. The results are noted below:

Table 12

Question-pairs analyzed	Degrees of Freedom	Result and Probabilities
2 - 5	1	2. 52 - 11. 2% chance
3 - 5	1	2. 85 - 9. 4% chance
4 - 5	1	20. 69 - <1. 0% chance
5 - 6	1	3. 76 - 5. 38% chance

The test of question two to question five, when analyzed mathematically, means that there is only an 11. 2 per cent chance of the result obtained occurring randomly. The actual results are as follows:

Table 13

		Question 5	
		Right	Wrong
Question 2	Bay	53	25
	other	68	52

Although this 11.2% chance of random occurrence does not rule out the possibility of this result happening by chance, the possibility is quite high of the result being dictated by reasons other than chance. The nature of the questions suggests that there is a relationship between those people who decided the Bay had the most fashionable clothes and those who knew the color of the new signage. The opposite is also true. There does not seem to be very much evidence of the presence of a cross relationship (i. e. those who consider the Bay the fashion leader, but do not know the store's new colors, and vice versa). The fashion-image theory, previously mentioned, which says the store exhibiting the strongest overall image also exhibits the strongest fashion image, is validated.

The results for the testing of questions three to five are as follows:

Table 14

		Question 5	
		Right	Wrong
Question 3	Bay	65	32
	other	56	45

The Chi-square analysis revealed a 9.4 per cent chance of random occurrence of these results. This result again is very much in favor of the Hudson's Bay store. Question three is more general than question two, and as such is applicable to more of the respondents--a feature which shows up in the smaller chance of randomness. The result shows a large acceptance of the Bay's merchandising policies, and also its new colors. It would seem that the people at whom the Bay is aiming its merchandising, those in the middle income groups, have accepted the new image well, if not unanimously. This can be suggested, for the sample taken was stratified to concentrate upon this group.

The chi-square analysis for the degree of association to be found between questions four and five on page one of the questionnaire, revealed a X^2 statistic of 20.69.

The results are given below:[1]

Table 15

		Question 4	
		Bay	Hudson's Bay
Question 5	Right	113	8
	Wrong	34	17

The chi-square statistic of 20.69 is interpreted to mean that this distribution could happen randomly very much less than one per cent of the time. From the nature of the questions, this result has more significant impact than the other results. As question four was designed to attempt to measure the degree to which the newer name the store is now using has been accepted, and question five was designed to attempt to measure the degree to which the store's new art work has been accepted, this analysis shows the efficiency of both operations, from a total viewpoint. People who immediately named "the Bay" as their answer, and knew the color of the artwork, were an overwhelming majority. The knowledge of the two seems

---

[1] The reason the total is not 198 is the respondents who did not answer Bay or Hudson's Bay were discarded.

nearly inseparable.

The final chi-square analysis to be conducted, on the questions from the first page of the questionnaire, is between questions five and six. The results are shown below:[2]

Table 16

		Question 5	
		Right	Wrong
Question 6	Yes	87	26
	No & no opinion	39	23

The chi-square statistic obtained for the relation which may exist between these two questions is 3.76. The interpretation is that 5.38 per cent of the time this association will occur, if the choices are made randomly. Again the result is in favor of the Hudson's Bay, but this could be expected, due to the other results found. It is merely logic to assume that more people, who can correctly identify the specific color will appreciate it, while people who cannot identify it will be more likely to have either a low opinion of

---

[2] The reason the total is not 198 is the respondents who did not answer the last question were discarded.

the color, or lack an opinion entirely.

The chi-square analysis made upon selected question-pairs, from the first page of the questionnaire, would indicate that the Hudson's Bay's image change is definitely taking effect.

Question 8--This question, using a variant on the semantic differential technique, was designed as the major image measure of the questionnaire. Each pair, and the average choices, will be analyzed separately, followed by a comparison between the results of the quota-sample and the Bay-Management sample.

1. Exclusive--General--The reading of -.57 is quite acceptable for a department store, which is attempting to reach a very large segment of the population, but for the Bay, who is not trying to do this, the score is not satisfactory. The store is not considered as exclusive as its merchandise policies should make it. There is a feeling in the management that the store is much more exclusive than the customers feel it is (+1.05 to -.57), and in time this could communicate to the customers. A more concerted effort could be made in the store's communications to create a more exclusive image for the store.

2. Expensive--Inexpensive--The customers feel the store is somewhat expensive, but not enough to dissuade them from shopping there. This facet of the image could be changed for the better with the introduction of a more competitive policy, which is apparently happening. The results for questions one and two, when taken together, are not encouraging. A feeling that a store is general and somewhat expensive is not a good combination. The management did not view the store as being as expensive as the respondents did, but this difference is not large. As was said, the new, more competitive policy could help this situation.

3. High Quality Merchandise--Poor Quality Merchandise--The respondents felt the store was more than adequate in this choice-pair. Their image of the total store's merchandise was a strong one. The management also feel this way, again being somewhat biased toward the store. As long as this feeling does not create a myopia and the merchandise quality slacken, the chosen evaluations of the customers and management are satisfactory to the point that any change in the customer's attitude will be in favor of the Bay.

4. Dependable--Unreliable--This was the highest rating, given by the respondents, and shows they feel confident in the store:

an excellent and strong result for an important facet of image
and one which was mirrored by the management.

5. Excellent Merchandise Selection--Poor Merchandise Selection
    --Again the respondents displayed their acceptance of the
    store's merchandise and the variety of it. A score of 1.73 for
    this choice-pair, which closely coincides with the 1.62 score
    for choice-pair three, is excellent. The management does not
    quite share the enthusiasm of the respondents, but this is not
    in error, for they will be continually trying to upgrade the
    selection. It is possible, of course, that knowing the custom-
    ers are happy could cause complacency. This is a trend
    which should be watched for and stopped, if detected.

6. Friendly Atmosphere--Unfriendly Atmosphere--This is a
    dangerous area to be receiving as low a score as 0.98. The
    staff is normally the only direct contact the management has
    with the customer; and when these people create a cold
    unfriendly atmosphere, they are not performing their jobs
    well enough. The management also feels the store is relative-
    ly unfriendly, in fact, to a greater extent than the respondents.
    It is, of course, their responsibility to upgrade the service
    and atmosphere of the store, especially since they feel the way
    they have shown.

7. Progressive Modern Store--Old Fashioned Store--It would seem, from the respondents' answers, that the new image is being accepted, especially in the area of modernity. A score of +1.89 is a sign of confidence. The management's score indicates displeasure in the internal workings of the store. To them the store is still somewhat traditional and almost bureau-cratic in its approach to administration. This displeasure could be one of the reasons for the low answers for number six, for their attitude could be affecting salespeople.

8. Competitive--Not Competitive--This score, 1.59, is reasonable considering the score received by number two. It would seem that people must think all merchandise, in all stores, expen-sive. As can be seen, the management views the store as much more competitive than the respondents do. This could be due to the newly implemented pricing policy of the Edmonton store, which calls for more competitive pricing, which probably has not yet affected the customers.

9. Wide Store Aisles--Narrow Store Aisles--This choice-pair was included to try to measure how comfortable people were while in the store. The results showed they were not uncomfortable but not overly comfortable either. It must be realized that the customer usually sees the store when it is

very busy, for example on Thursday night, Friday night or all day Saturday. The managers, on the other hand, often see the store empty, and this has shown up in their evaluation of 1.52 as compared to the respondents' 1.34: without patrons the store would look much larger.

10. Easy to shop in--Difficult to shop in--The customers feel that the store is relatively easy to shop in, and seem satisfied with the actual physical characteristics. The phrase itself, "easy to shop in", covers the large and somewhat nebulous area of both satisfaction with the store's layout, with the way the merchandise is displayed and the service received. It is a "catch-all" question, and could be considered the one facet tested which best summarizes the store's image. The score received was a little above the average evaluation of 1.32 per question, but was not outstanding. The management felt exactly the same as the customers. It must be assumed this is the level, desired by the store, of satisfaction with the total store. If so, there does not need to be any more effort put into this area to improve the respondents' feelings. If this is not the level of acceptance desired by the Company, then not only the customers must be further educated about the store, but also the management.

11. Close to parking areas--Far from parking areas--This store characteristic, although it is not immediately clear that it has a direct bearing upon the image, was included because of the importance currently attached to transportation. As the close proximity of parking is one of the more popular characteristics of suburban shopping centres, the downtown store must be able to offer the same service. The respondents gave a fair-to-good evaluation of the Bay's proximity to parking. This is probably due to the "Bay Parkade", which, as has already been mentioned, is very close to the store, and as far from the other major stores as possible. As it is Edmonton's oldest parking garage, and until recently its largest, it is used by the majority of people who park near the downtown area. It is not unusual that the management does not feel the store is located near adequate parking. There are no concessions made to the management for parking in the Company's facilities, and the management must park where they can. The company morale is what suffers in these circumstances. Although it is a small consideration it is one reason why low evaluations were obtained in questions six and, as will be seen, in question sixteen; for a poor attitude by the management will be reflected, in time, by the staff.

12. Excellent Store Displays--Poor Store Displays--A high evaluation was received for this choice pair, indicating satisfaction with the way the merchandise is displayed in the store. This could be related to the somewhat lower rating achieved in question ten, for as was mentioned this and several other facets are combined in the evaluation of this question. Although this superficial characteristic is rated highly, other image creators, such as personnel interaction, are rated lower to give the slightly above average score for question ten. The management rated the store displays about the same as the respondents, indicating that they are satisfied with the cooperation they are receiving in their efforts to sell their merchandise.

13. Many In-Store Services--Few In-Store Services--This evaluation was much lower than expected, for the Bay store in Edmonton has many and frequently used services, such as a nursery and a gift-wrapping facility. It would seem that more advertising, stressing the presence of these services, is overdue. That there are these services available is illustrated by the management's score, the highest they gave, together with question eight, of any of the characteristics.

14. Excellent In-Store Services--Poor In-Store Services--Again, as in question thirteen, the respondents rated the in-store

services quite low. This must be related to the lack of knowledge exhibited in question thirteen. The management only rated the services as slightly above average, indicating that, although they consider there are many services present, they are not satisfied with either the way they are being run, or the necessity for their presence.

15. Very Fashionable in Women's Clothes--Not Fashionable in Women's Clothes--Fashion, as has been said, is a very powerful image creator for a department store. The evaluation received by the Bay is not as high as would be preferred. The result was above average. Noting the result obtained in question number two, page one, this image of fashion is quite strongly entrenched in the minds of the respondents. The management's evaluation was slightly greater than the respondent's, which is a good sign, for it could encourage them to try to upgrade the fashion image knowing that the respondents are not in complete agreement with them.

16. Very Helpful Sales People--Indifferent Sales People--As was noted in question six, the atmosphere in the store is considered to be most unfriendly, and the result of this choice-pair explains why such a low score was obtained. If a customer thinks that she is not going to receive the courtesy,

consideration, and service she considers should be given, her

reaction will be to boycott the store. The sales-people create

the atmosphere in a store. If they are discourteous, the

customers will retaliate by not shopping there, and no amount

of advertising or superficial decorating of the store will alter

their actions. The store would be wise to concentrate on up-

grading this characteristic before any other. The management

knows this facet of their store is very poor, as can be seen

from their evaluation, which is even lower than the respondent's.

This is a circular situation; if the management considers their

staff to be poor, then they will exhibit this feeling, which will

cause the staff to work with less enthusiasm, which, in turn,

will cause the managers more anxiety. Without "mutual-

admiration", there can be no accord and very little motivation.

17. Good Interior Store Layout--Poor Interior Store Layout--This

average evaluation points out the fact that Edmontonians are

not that knowledgeable about store layout. They do not have

many preferences, for they have not been conditioned to expect

a strict adherance to a plan, in any of the department stores,

with which they are familiar, (as is the case with super

markets). The management on the other hand dislikes the

store's layout, due to their greater knowledge of this subject,

and the lack of space in the Edmonton store.

18. Store Looks Very Attractive From Outside--Store Looks Very Unattractive From Outside--A surprisingly low evaluation was received on this choice-pair. People must be getting used to, and liking, the new, modern designs of the stores in the suburban shopping centres, and are becoming disenchanted with the looks of the older, downtown stores. The management again shows its dislike of the store, by giving an even lower evaluation than the customers. Their morale must be quite low.

19. Convenient Location--Inconvenient Location--The respondents think the store is well situated. This is one reason why the page one question on the shopping plan was so favorably inclined towards the Bay. The management, in an "about-face" from their usual evaluations of the physical plant, gave a high evaluation for this facet. It is difficult to complain about the Jasper Avenue location of the store.

20. Good Values--Poor Values--The respondents do not feel the values offered are up to standard. Although they feel the merchandise is of good quality, they feel the store is expensive, and thus the values are acceptable, not exceptional. The management does not see the values this way, for they feel

the values they are offering are quite good. They are being

somewhat conceited in this regard: it is necessary that the

managers lose this attitude. Maybe this change will come with

increased competition, in the area of price control, now being

instigated.

21. Good Advertising--Poor Advertising--The Hudson's Bay's

advertising is not considered to be excellent. In fact it is con-

sidered only slightly above average. With the increasing

reliance on advertising, due to the identical nature of many of

the products sold, the Bay should try to improve its verbal

communications. The management is severely disenchanted

with the advertising done by the store. Since it is very impor-

tant for their advertising to be effective and also that they have

a degree of control over this aspect of the store's communica-

tions, it is their responsibility to start the necessary improve-

ments.

22. Most Successful of the Major Stores--Least Successful of the

Larger Stores in Town--The customers think the store is the

most successful, and by their high evaluation, it will continue

to be that way. People like to be associated with a winner,

and it takes a great deal of effort to alter this. The only store

which might be able to do this is Woodward's, due to their

progressive and aggressive policy of expansion into suburban

shopping centres. It is strange that the Bay management feels

that the store is not as successful as the customers feel. This

could be due to a different interpretation of the question.

Although they feel the store makes more sales than others,

they may feel that the service being offered is not good enough.

23. Active in Community Affairs--Not Active in Community Affairs

--The very low rating given by the respondents to this choice-

pair indicates that the Hudson's Bay is not discharging its

civic duties well enough. It is not enough for a store to try to

be the most successful in a town, or give the customers good

service. It is a privilege for a store to operate under the city's

protection and be sustained by the city's population. In return

the store should aid the community in whatever way it can.

Apparently the Hudson's Bay Company is not doing this. Even

the management, who are the people responsible for this lack

of participation, are worried about this low level, as evidenced

by their low evaluation. Again the solution is theirs.

Conclusion: Taken as a conglomerate whole, question eight is

advantageous to the Hudson's Bay Company store in Edmonton.

There are weaknesses, and these must be expected. The problem

with the characteristics which are not strong is that, except for

choice-pair eighteen, they are very important and powerful image creators. It is here that the management should work to improve the store's image. Unfortunately the major image weakness is the unfriendly and cold atmosphere of the store and the indifference of the staff. This is a difficult area to upgrade being composed of so many ingredients.

Question 8 continued

Correlation of selected choice-pairs

The results of each questionnaire were fed into the University of Alberta's I. B. M. 360-67 computer, and Chi-Square tests performed on all the choice-pairs. Multiple correlation analysis was not made, due to the number of tie-results which would have reduced the reliability of the result. The Chi-Square analysis was made to determine the amount of similarity which exists between the answers to the different choice pairs. The results are to be found in table eleven.

Question 8

To interpret table 11, the ten top correlations shall be analyzed. This analysis will ignore the highest correlation, which was that of "many in-store services" to "excellent in-store services". Although the chi-square coefficient for this statistic

was 211.02, the highest recorded, it will not be included because

it is an expected relation. The size of the coefficient could be

expected, due to the proximity of the two choice-pairs, and the sim-

ilarity of their wording and their context.

Choice pair 4-5 (i. e. Dependable-Unreliable--

Excellent Merchandise Selection-Poor Merchandise Selection) had

the highest statistic. A chi-square value of 182.88, with 25 degrees

of freedom, means that the chance of this correlation occurring by

chance is very much less than .01. To illustrate just how small the

chance of this amount of association occurring by chance, the chi-

square values for 25 degrees of freedom are given below:[3]

Table 13

Degrees of freedom		Probabilities								
		.90	.70	.50	.30	.20	.10	.05	.02	.01
25	x^2	16.473	20.867	24.337	28.172	30.675	34.382	37.652	41.566	44.314

The chi-square statistic cited is very much greater than the largest

statistic in this table (Indeed the majority of the coefficients were

found to be greater than the 44.13 given for the .01 probability--

---

[3] Stephen P. Shao, Statistics for Business and Econ-
omics, (Charles E. Merrill Books, Inc., Columbus, Ohio, 1967),
p. 775

see table 11). The X^2 value, of choice pairs four and five, shows

the dependence people place on the merchandise selection, when

they are forming their opinions about stores.

The second ranked correlation was between six and

sixteen. The coefficient was almost as great as the previous one,

at 181.04. This amount of association could have been predicted.

If graph two is examined, it will be noticed that the two choice

pairs, in question, are rated very poorly. Another indicator, of

the size of this statistic, is the subject matter of the choice pairs.

They both deal with the attitude of the staff, and it follows, that if

one is judged low, then the judgement of the second will parallel it.

If the attitude of the sales people was changed, then it is a certainty

that the store would seem to be more friendly to its patrons.

The third ranked X^2 statistic was between "Depend-

able--Unreliable" and "Most Successful of the Major Stores--Least

Successful of the Major Stores". This degree of association would

not be expected to be high, by mere observation, for the subject

matter does not seem to be strongly related. If graph two is con-

sidered, it will be seen that both choice-pair four and choice-pair

twenty-two are rated high, by the respondents. This could account

for the high degree of association, shown by the high statistic.

Another reason could be that choice pair twenty-two is a valid

measure of total image, while choice-pair four is an important

factor in the creation of an image. This reasoning suggests that

those people who consider the store to be dependable, will also con-

sider it to be successful.

Choice-pairs nine and seventeen were ranked fourth,

with regard to the size of their chi-square statistic. Again, this

result could be expected, for both deal with approximately the same

subject matter: the physical capabilities of the store. Also, if

graph two is studied, it will be seen, that the two pairs are almost

equally evaluated by the respondents, suggesting a high degree of

association could be present.

Fifth ranked were choice pairs three and four. The

amount of association between quality of merchandise and depend-

ability, is, of course, related to the large statistic obtained for

pairs four and five; for again, the same subjects were examined.

Choice-pairs ten and seventeen had the chi-square

statistic which was sixth largest. The relationship which exists

between the ease with which the respondents feel they can shop in

the store, and the store's layout is only one interpretation of choice

pair ten. This choice-pair was also rated highly with friendly

atmosphere, the competitiveness of the store, the width of the

store's aisles, and the store's dependability. It is interesting to

see that the layout of the store had the strongest association with

the ease of shopping: a fact which does not seem to be as important,

at first glance, as was illustrated.

Seventh ranked were pairs fourteen and fifteen, which

concerned store services and fashions in women's clothes. There

does not seem to be a logical relation for the size of this statistic,

except that if the statistics of adjacent choice-pairs are examined,

it will be found, that they exhibit an abnormally large degree of

association, especially if they deal with the same area. This is a

weakness of the technique used. Another reason for this large

statistic could be that, it is mainly women who would have positive

or negative views on women's fashions, and also they would be

more cognizant of the store's services, than would men. Men's

experience is normally superficial, in both areas, due to their

lack of interest in either.

Pairs 12-13 are ranked in eighth place. The

coefficient, as there are only twenty degrees of freedom for any

correlation involving choice-pair twelve, is very high, at 145. 80

(for the . 01 probability the chi-square coefficient given is

37. 566). [4] Again, it is difficult to understand the relationship

---

[4] Ibid.

between this subject matter, store displays and store services, which gives such a large result. The level of expectation and education of the women shoppers could explain this result. Another reason could be that neither of the facets are of great importance to the creation of the image, and if the respondent's image had already been composed, she could have persuaded herself to rate these two facets as a reflection of her total image. That is, if she feels the store is excellent, her view of the store displays and services will also be excellent.

Ninth place is taken by choice-pairs twenty and twenty-one, two more adjacent pairs. The size of the statistic between "Good Values--Poor Values" and "Good Advertising--Poor Advertising", at 138.17, can be explained by Pierre Martineau's[5] attributing to the store's advertising, an ability to indicate social class. As this survey was stratified to concentrate on the middle class consumers, at whom the Bay aims its merchandising, the large degree of association observed here indicates the success of their advertising. If the consumers, who are the target of the store's advertising and quality communication, consider both to be acceptable, then these communications are

_____

[5] Martineau, Motivation

being received by the correct group and are in phase to their perceptions.

Tenth in rank is the X^2 statistic for the degree of association between choice pair twelve, excellent store displays, and choice-pair twenty-one, good advertising. Again with the presence of only twenty degrees of freedom, the size of the statistic, 138.10, is considerable. The two subjects, under consideration, are of the same genre: the exhibiting of the merchandise using the most efficient method. With the degree of association present, it shows that the same people who, upon responding to the store's advertising, have visited the store and appreciated the store's attempt to display its merchandise. In opposition to these satisfied respondents, there are those who have not responded to the advertising, and have either visited the store and disliked the displays, or have neglected the store and have made a guess about the store's displays, based on their past experience. From the result, it would seem that there are few people who either responded to the advertising and disliked the store's displays, or disliked the advertising but appreciated the displays.

Although the ten highest statistics have now been examined there is one more which is so representative, that it cannot be ignored. This statistic was rated eleventh, and measures

the relationship between choice-pairs three and five. Choice-pairs

four and five, and choice-pairs three and four are also found to be

very highly evaluated, being in first and fifth rank respectively, and

the high rank, of this final possible combination of these three facets

of image, indicates their importance to image formation. From

graph two it can be seen that the Hudson's Bay store, in Edmonton,.

is rated very highly for all three of these facets.

From the total exercise of performing chi-square

analysis, upon all the possible couplings of the choice-pairs,

several general conclusions can be drawn.

First the predominance of couplings, which produced

chi-square statistics that were significant to the .01 probability

level and greater, indicated that the image creators chosen were,

in the majority, those which have a direct and strong bearing upon

the creation of a store's personality. It will be noticed that some

of the choice-pairs exhibit larger statistics than do others. This

suggests the interpretation that some of the facets chosen are

more closely allied to the total image than others. To exhibit this

more clearly, the X^2 statistics for each facet were averaged and

ranked. The results were as follows:

Question Number	Average X^2	Rank
1	33.85	23
2	34.85	22
3	72.45	6
4	78.75	3
5	66.10	14
6	64.80	15
7	70.70	9
8	69.30	11
9	56.20	18
10	76.50	4
11	57.60	17
12	70.60	10
13	72.50	5
14	79.95	2
15	70.80	8
16	69.00	12
17	80.30	1
18	48.95	20
19	56.10	19
20	66.40	13
21	72.45	6
22	57.75	16
23	38.15	21

As can be seen the two facets which associate to the largest degree, with the others, are store layout and the quality of the in-store services. These are not obvious choices, for these positions--for neither would have a great deal of effect upon the total image. They are probably as near to being true reflections of the total image as will be found, when considering one facet of image, only. Choice pairs three and four are also rated highly, as is to be expected from their presence in the list of ten highest statistics. Fourth ranked

choice-pair ten is another excellent reflection of the health of the store's image; for as has been said, it embodies many of the influential facets of corporate image. Being rated as high as it was, choice-pair ten indicates the Hudson's Bay Company's store's image, in Edmonton, is most favorable.

Question Nine--Question nine was designed from an example given by Reuben Cohen, in his article "The Nature of Corporate Images".[6] There was a slight alteration made to allow for the comparative rating of the three major downtown stores; the Hudson's Bay, Eaton's, and Woodward's. The interpretation is presented in the same manner as was the interpretation for question eight.

Sheet X

1. Can depend on what is bought from them--The Bay and Woodward's were rated approximately even for this character-istic, with Eaton's third. Woodward's was slightly more favored (see table 10). The spread between the percentages was not large, meaning that there is not enough emphasis placed on this facet of store imagery by the Bay. "The Bay" management felt that they were the highest rated store for this facet with Eaton's

---

[6] Reuben Cohen, "The Nature of Corporate Images", Riley, Ed., p. 48.

second and Woodward's third. Their bias is very evident in this whole question, and they are often guilty of relegating Woodward's, who are, according to the customer ratings, their prime competitor, to the tertiary position. This ignoring of Woodward's is a sign that they will not face the fact that they are losing their primary place in the Edmonton retailing scene. The characteristic, itself, was intentionally vague, for it expresses only satisfaction or dissatisfaction, with the stores, since there is normally very little difference between the items each sell.

2. Their merchandise is of the highest quality which can be expected -- The customers reaffirmed their acceptance of the Hudson's Bay merchandise by placing them slightly ahead of Woodward's, with Eaton's again running third. As will be noticed (see graph 5) this is the position Eaton's occupies in all the comparisons made by the customers. The management sample again rated the Bay far ahead of its competitors in this area.

3. They are always a leader in fashion -- For this very powerful image creator, fashion leadership, the Hudson's Bay Company is in an excellent position. The respondents ranked it again as number one, with Woodward's again second and Eaton's in third place. The management completely ignored their

competition for this facet. They seem to be very conceited about their own tastes in fashion.

4. <u>Their displays are always attractive, and an aid to shopping</u>--Again the order was the same. The Bay, Woodward's and Eaton's. This time the respondents did not differentiate between the stores, as much as in the previous question. The Bay was given the first ranking by the largest margin so far encountered. The store's management also felt their displays were best, ranking the other two stores tied for second.

5. <u>This store's layout is very convenient</u>--Again the Bay was chosen first, with Woodward's second, and Eaton's third. There was not a large difference between any of the rankings, indicating again the lack of education in this area, which was noticeable in choice-pair seventeen, in question eight. The management changed, in their evaluation, choosing Eaton's first, their own store second, and Woodwards third. This is an exhibition of the disenchantment, shown in those sections of question eight, that the management felt about areas of which they have little or no control.

6. <u>The atmosphere of the store is most friendly</u>--This is that very important area in which the Hudson's Bay was so poorly rated, in question eight. Woodward's is rated as being the most

friendly store, with the Bay second and Eaton's third. There is not a large difference between the ratings, but the choice is quite definite. Certainly this is the most important area on which the Hudson's Bay should concentrate its image improvement. It would be interesting to measure this facet in one or two years, when the remodelling of the Eaton's store has been completed. This remodelling has made their store much more pleasant in which to shop. The managers agreed with the customers' rankings, but giving an even greater "spread" between the three store's friendliness.

7. The store is easy to get to--The old pattern of the Bay first, Woodward's second and Eaton's third was re-established for this choice, by the respondents. This ranking is unusual, in that, there is only one Hudson's Bay store while there are several Woodward's stores at convenient locations around the city. The downtown area, it would seem, remains the most popular shopping area in Edmonton. The "Bay" is fortunate to be situated at such an advantageous location in this downtown area. The management chose the Bay first, but for some reason chose Eaton's second. The rank of third, for Woodward's, could be jealousy on their part, due to the expansionist policies of Woodward's.

8. <u>The store can be depended upon to have an item one is seeking</u>--
This question was designed to measure the confidence the
respondents had in the management of the different stores. The
Bay was ranked just ahead of Woodward's again, with Eaton's a
low third. The respondents seem to feel the Bay's management
is slightly better than the other stores, with respect to this
aspect. The Bay's management agreed with this, giving them-
selves a much greater vote of confidence than the respondents
gave them.

9. <u>The store is pleasant to shop in</u>--This deliberately vague
characteristic, as in part ten of question eight, gives a
clear indication of the status of a store's image. It includes
all the other facts and characteristics previously identified;
the respondents overall attitude towards the store can be
measured from it. The Bay placed first in the respondents
ratings, 1.9 per cent ahead of second place Woodward's. Eaton's
was third. The evaluation, as in question eight, did not indicate
enthusiasm for the Bay, as a comfortable shopping area, but
general satisfaction could be interpreted from the result.

10. <u>Their prices are always fair</u>--Woodward's was in the dominant
position for this choice, with Eaton's and the Bay tied for
second, approximately fifteen percentage points behind

Woodwards. This is not an enviable position for the Bay to be in, for the characteristic of being expensive, is very negative and just as powerful. This position must change for the store to remain high in the people's favor. The management felt that the Bay was the best in this area, but they felt Woodward's was not far behind. Eaton's again was very low.

Sheet Y

1. This store is one of the most progressive--Woodward's was felt to be the most progressive store in Edmonton, the Bay was second and Eaton's, third. This result is a reflection of the expansion into suburban shopping centres, undertaken by Woodward's in the last twelve years. They have opened three new stores, two at the Westmount Shopping Centre, and the most recent, one at Northgate Shopping Centre. Woodward's has also recently announced a further expansion on the south side of Edmonton. The venture will be undertaken in conjunction with the Hudson's Bay Company. This may be taken as an admittance, by both companies, that they attract different segments of the population. If this is the case, and the choice of respondents was successful in reaching more middle class people, than any other class, then, the Hudson's Bay must concentrate its communications upon upgrading their

image with their chosen customers. Woodward's, it would seem, are as strong as the Bay, in overall image (see graph 5), for they are the leader in eleven categories of question nine. The Bay management agrees with the respondents. Indeed, they chose Woodward's by more than a two-to-one ratio. They did not even consider Eaton's. Their dissatisfaction, with any facets of the company they feel they have no control over, is exhibited again.

2. This is a fast growing and expanding company--The respondents again heartily endorsed Woodward's expansion policies. The Hudson's Bay was a poor second and Eaton's last again. The Bay must publicize its proposed expansion much more, and even plan for more, in the near future. The managers felt the same, again condemning their store.

3. Any new shopping innovation is immediately introduced--The Bay caught up again, but still did not regain its primary position. Woodward's again was considered to be the most successful, when adapting to the needs of its customers and Eaton's, again, was last. The result is still reflecting the endorsement of Woodward's progressive attitudes, as given by the respondents in the two previous questions. The Bay management mirrored the respondents choice.

4. **The store is always introducing the newest merchandise--**
    Finally, the Hudson's Bay store was judged to be first, with
    Woodward's a close second, and Eaton's third again. The result
    could be due to the Bay's concentration upon bringing in only the
    most fashionable clothes, and furniture. This is an important
    characteristic, in which to be ranked first, by the customers,
    for they should be more interested in what a store offers for sale,
    than many of the other characteristics, such as "wide-store
    aisles", or "store-layout". The management, seemingly
    omnisciently, again has agreed with their customers.

5. **The management is progressive, imaginative and well trained--**
    The Bay and Woodward's were rated as equals for this category;
    Eaton's following, in third place, not too far behind the leaders.
    The public seem quite satisfied with the level of management
    ability of these two stores. The Hudson's Bay's management
    training plan is one of the best to be found[7]--if there is any
    improvement to be made, it would have to be in the motivation
    area. The management is capable, but not too keen. As has
    been shown, their morale is low, resulting in the serious lack
    of motivation present. The management themselves, upon
    rating this question, considered the Woodward's management
    to be less trained, and less progressive than themselves. This

---

[7] Writer's own experience.

could be true, but their respondents do not know this. Their
competence is not showing.

6. <u>The store is very strong in many areas</u> -- This vaguely stated
characteristic was judged to be best exemplified by Woodward's.
It is a fact that they have the largest volume for any individual
supermarket in Edmonton, at their Westmount food store.
Their three food-stores are direct and very strong competition
for the giant Safeway chain, which is Edmonton's largest food
retailer: the Bay's food floor is invariably empty. Woodward's
has large garage complexes near all its stores: the Bay has a
small automotive department, within its hardware department.
These are the main reasons Woodward's was judged the best
in this category. The Bay management displaying surprising
loyalty, and possibly shortsightedness, thought their store the
strongest. Possibly they are strong in fashion, and they do
have a parking garage, but their company must diversify soon
to catch Woodward's.

7. <u>This is the most successful major store in town</u> -- Woodward's
was again the leader, but the Bay was judged as being a very
close second. Eaton's, again, was virtually ignored. This is
a self-interpretive question with many conclusions possible.
It was included because, as people do not usually like to be

associated with a "loser", their answer for this choice can be considered to indicate their favorite store. As can be seen (graph 5) there is a very close race for the people's favoritism between the two stores. The Bay management sample chose their store as the most successful, by quite a large margin. One reason could be their knowledge of sales volume per store, which puts the Hudson's Bay store to the forefront. Another reason could be the conceited, sometimes dogmatic view, held by some managers, that the Bay is the only place to shop and the only reason anybody does not shop there, is ignorance: an unhealthy type of myopia.

8. The management and staff try to understand the need of the customer--Again Woodwards was chosen as the "number one" store. The Bay was chosen second, only 3.1 percentage points behind the leader. This result is directly related to the unfriendly atmosphere previously reported, and the conceit shown by some managers, also previously reported. The attention to this desire to be considered is crucial if a store desires a well rounded and resiliant image. The Bay would be well advised to attempt to inculcate its management and staff with this characteristic. The Bay management evaluation was almost identical with that of the respondents. If they know

exactly how the customers feel, they should begin to adapt themselves and their staff as soon as possible to this attitude of consideration of the customers' needs.

9. <u>They always deal with complaints fairly and promptly</u>--The respondents gave approximately the same evaluation, to this facet of store operation, as they did to the previous choice. The Bay did advance somewhat on Woodward's (see graph 5), bringing them within .8 percentage points. Number nine is closely related to number eight, being merely, more specific. The Bay management disagreed, for they know their own return-policy of "no arguments", but are vague on Woodwards' policy.

10. <u>The store tries to live up to its civic responsibilities, and participates heavily in this area</u>--Woodward's was judged the most civic-minded store of the three, with, as usual, the Bay second and Eaton's a distant third. The answer to this could be Woodward's sponsorship of "The Knothole Gang", at Edmonton Eskimo football games, and their fight against the other stores and their position, on the early closing bylaws of Edmonton, which have been in a state of flux recently. The Bay was not far from being first, 7.0 percentage points, which points out that their civic participation should be increased, and that this increased participation should be publicized.

Overall Evaluation of Question Nine--Woodward's, it would seem

have a slight edge over the Hudson's Bay in the image-facets tested.

The Bay management, although they did think their store the best

overall, grudgingly admitted that Woodward's is very eager and

competent competition. Eaton's was ignored by both respondent and

the Bay's managers, alike. The respondents, especially, were not

impressed with Eaton's.

It is interesting to note that although, overall, the

Bay management's evaluation was correct the majority of the time,

it was invariably much magnified; a symptom of their bias toward

their company. Where there is a difference between their evaluation

and that of the respondents, much work must be done to align them.

Where there is no difference the management must not get over-

confident and forget the area. It can easily be lost to an aggressive

firm, such as Woodward's. It will be interesting to observe the com-

petition, in Edmonton, when Eaton's realize the lack of response

their image is producing. There cannot be many Eaton's stores with

such a low appeal.

Woodward's is a very successful store and this fact

must not be overlooked by the Bay management. The fact that this

has happened, to some extent, is ominous. It could be a form of

cognitive dissonance, relegating the precarious position of their

success, to the level of a minor problem, and assuming it will

solve itself. Woodward's cannot be ignored.

CHAPTER VI

CONCLUSION

Introduction

The primary purpose of this study was to examine

the present image change program of the Hudson's Bay company

department stores, as it applies to the Edmonton area. It is hoped

the study will explain why an ever adapting image is essential, not

only to retailing firms such as the Hudson's Bay Company, but to

all firms.

Limitations of the Study

As the study is only to be conducted in Edmonton,

Alberta, the result will probably show the recognition of the image

change of the Hudson's Bay Company department store to be greater

than a similar nation-wide study would reveal. The reason for this

difference is that in Edmonton, as in Calgary, the Hudson's

Bay is the dominant retailer, with regard to sales, which is not the

case in other major centres in Canada.[1] The change of an image will

---

[1] See Lippincott and Margulie's report, Vol. I

always be recognized more if the firm who has changed its image

is the industry leader. The Hudson's Bay stores in the West are

[2]

second to Woodward's in British Columbia, and to Eaton's in Manitoba.

Due to the Lippincott and Margulies study omitting

Edmonton, the results of that study could not be compared to the

results obtained by the present study, except in a most general way.

To provide a basis for comparison it was decided to compare the

results of the quota sample with with those obtained from the department

managers of Edmonton's Hudson's Bay store. This technique was

used because a planned image is a bipartite entity: the image trans-

mitted and the image perceived. Thus, this study has measured

both these segments and a comparison is possible. This method

introduces biases which are present in the results of the "Bay

Management" sample, due to the inevitable indoctrination to which

the staff is subjected. These biases have not affected the results

to a great degree, as can be seen from the interpretation. One

reason for this could be the presence of the three kinds of organiza-

tional men--upward mobiles, indifferents, and ambivalents--as

---

[2]
From results of unpublished study by Lippincott and
Margulies for the Hudson's Bay Company, 1964.

outlined by Robert Presthus. [3]

Although a company has many people interested in its operations, all but the consumers were ignored in this study. The rationale for this was that the operations of the Hudson's Bay Company department stores cater mainly to the customer, and as such these people have the most acute perception of the Company's image. The company's stock holders were eliminated for they are predominately non-resident (80 per cent live in England), and hence were not affected by the image change program. Although the image change was not aimed directly at the Company's employees, it is always hoped that a successful image will motivate staff to be more efficient and courteous. This objective can be judged through the perception of the customers' image, by their evaluation of the service offered. This was the reason the main body of employees were not tested. The major image perception, then, can be gauged from the evaluation of that single public, the customers. It is questionnable if this stipulation is a limitation, but it does have the effect of narrowing the study.

One other limitation is the reporting error prevalent

---

[3] Robert Presthus, The Organizational Society, (Vintage Books, New York, 1962)

in all questionnaires. Although the format did not allow for more
than one or two-word answers, it is, of course, a probability that
errors did occur. Also the previously mentioned suspicions of
some respondents towards the interviewers and their intentions,
must have introduced some biases to the results.

There is one limitation which must be recognized. The sample which was taken cannot be considered random due to the method used in choosing the respondents. The quota-control technique does not give the randomness required for many of the more sophisticated correlations such as Kendall's Tau or the Spearman correlation coefficients which could be used. The use of the chi-square tests was for illustrative purposes only, due again, to this lack of randomness.

This lack of randomness does not detract from the usefulness of the application of these results. It must be remembered that company image is such a subjective matter that the randomness, or lack of it, will not affect the interpretation of the results or the application of the results to the company-in-question's image.

Suggestions for Further
Research

In the area of image research it seems that there has been little done to prove that image motivates people when they are in the buying situation. Research into this and the area of importance of image would be useful.

A secondary study, on the Hudson's Bay Company's image, should be made, one year from the date of this study. This would show if the work being done now, by the Company, is having an effect upon the general consumer in Edmonton. This would also show the direction the image change is taking, if any.

The importance of image, to the consumer, should be investigated, for any buying situation, and a definite attempt to educate as many businesses as possible in the field of image importance.

The Need for the Recognizance
of Company Image

Since World War II, it has become increasingly
apparent that the contest for the customer's discretionary dollar is
becoming increasingly competitive. With the increase in the dis-
cretionary section of the individual's income, it would seem logical
to assume that the market place would become less competitive.
Such is not the case; the competition for this discretionary income
segment is now even more intense. The emphasis is now placed on
retaining and increasing the company's market share, by the mar-
keting of innovative products and services, and satisfying the
customer's needs: this is the marketing approach. To facillitate
the increase or retainment of the company's market share, in the
environment of increased competition, it has become necessary for
the larger firms to become national and even international in scope,
for reasons of distribution and mass-production; hence the
increased use of mass national advertising. Smaller firms, to
combat this invasion of their local territories, have also had to
resort to blanket advertising of their business area. To the
consumer this aggregation of communication can become confusing.
According to Gerhart Wiebe, the problem faced by the companies

which the publics value most highly, in other people. These values are those which they strive to have themselves--this being their self-image. This self-image is that force which motivates people to act the way they do, in any situation. It is the "yardstick" by which a person evaluates his past actions and decides on his future actions. It is the set of expectations which govern all our actions. If a company's image is congruent with its public's average self-image, it can cause them to place it in an a priori position. This attitude is essential in an increasingly competitive market-place.

A firm whose past history includes the use of false promises, to any of its publics, will not be effective with its communication functions until that memory has been erased. The communication must be believable, before it is accepted to be evaluated. The image can aid or hinder this necessity for credibility. If an old image has been associated with dishonest communication, it is not advantageous to allow it to remain static. It must be altered, to remove its poor associations. It cannot be expected that the new image will immediately erase the stigma attached to the old image, but it will act as a new base on which to build an honest communications record. The need for credibility of source is related to the self image concept, previously mentioned. People basically consider themselves honest, and expect the same

treatment from business firms. They need to be able to rely on the firm's communications, for they do not have the omniscient qualities attributed to man, by economists. By mere inspection of an object it is normally improbable that a man could decide if it is better or worse than another brand of the same object. He must rely on the reputation of the firm, for producing quality articles and being honest in their communications. This need for believability is even more important for services. These cannot be evaluated until after they have been performed. If the service firm's reputation is good, it will be successful, and vice versa.

The company image is a singular entity. It is not segmented or differentiated by its perceivers. True, the various publics do each have their own conception of the company, and some members of one of the publics, can be, just as easily, members of one, two or three others. If this is the case, the many conceptions, held by those persons, fuse into a singular image. Although there is this unity, the image is the result of the conglomeration of the stimulii which come from the firm. The reason for this uniting of the stimulii can be found in Gestalt psychology. People strive to create a unified whole, which is sensible to them. Many stimulii cannot be understood. They must be brought together to give one meaning. If a company can control all of its actions, to suit the

efficient, as they could be. If one is not present, then the firm

cannot be considered to have a directed and defined image.

Suggestions for Improving the
Hudson's Bay Company's
Corporate Image

The results of the study show that the image of the

Hudson's Bay Company, and that of its department store in

Edmonton, is, in toto, quite strong. There are few weak spots to

be improved, but these weak areas are important, and are demand-

ing attention.

The necessary changes must first start within the

Bay's management organization. From the study of the store's

management, it is clear that there is a substantial amount of latent

hostility present. This feeling, although not often voiced, is passed

along to the staff and sales people, and is reflected in the low rat-

ings given to the store's atmosphere, friendly or unfriendly, by its

customers.

One reason for the hostility present could be a lack

of challenge in the department manager's role. The department

manager's job does not demand a great deal of innovative effort.

It can settle down into a routine, soon after he has assumed the

position, for much of his work is programmed. Many of the rules

he must follow are necessary, but many could be deleted, and not missed. This situation could be the reason for many of the managers, and assistant managers, finding other positions. These men have higher aspirations than they can foresee attaining in the Bay. This could be the reason for so many of the Bay's university graduates leaving; they have naturally assumed higher aspirations, whilst attending university, than many people who have not attended a post high-school institution, and find these aspirations unattainable, in the Hudson's Bay Company's department store structure.

Another reason for the management's resentment could be the rigid, bureaucratic, decision-making structure present in the stores. More autonomy is needed by the management, for satisfaction is obtained through individual self-expression.

Another weak area of the Bay's image is the customer's perception that the store's merchandise is relatively expensive. The policy of increased competition recently introduced may change this rating.

Comparatively, the Hudson's Bay Company store is rated as an approximate equal to Woodward's stores, with both stores being far ahead of Eaton's. Woodward's Edmonton stores have an edge over the Bay in characteristics which are concerned with personal interaction, pricing, and the progressiveness of the

firm. For the Hudson's Bay's image to be improved, these three areas must be quickly and efficiently upgraded.

The most important concept for the executive management of the company to realize is that an image change cannot be successful unless there is adaptation of the perception of this image by all the company's publics. Of course not all the publics are as important as the consumers, to the Hudson's Bay Company, and hence should not be concentrated upon, to the same degree as the customers have been. The Bay's second most important public must be its employees. These people represent the store, to its customers, to a greater degree than any of its merchandise, physical appearance or advertising. They must become a mirror of the changes which have been made in the store's communications. They must exhibit all the characteristics that the management desires the new image to project. The sales-people and department management cannot act in this way, if they do not believe what they are doing. The upper management must evoke, in its various staffs, these attitudes.

This task is, in many ways, more difficult than the original change in communications which began three years ago, and it is becoming increasingly important, as time passes. Without the reinforcement of the staff, the new image will never be fully

accepted, and the image change program will produce a superficial,

weak image.

:jh

SELECTED BIBLIOGRAPHY

Books

Adler, Lee, and Crespi, Irving, Attitude Research at Sea, Chicago:
American Marketing Association, 1966.

Bell, Martin L. , Marketing: A Maturing Discipline, Chicago:
American Marketing Association, 1960.

Blalock, H. , Social Statistics, New York: McGraw-Hill, 1960.

Boulding, Kenneth Ewart, The Image, Ann Arbor, Michigan:
University of Michigan Press, 1956.

Boyd, Harper W. , and Levy, Sydney J. , Promotion, a Behavioral
View, Englewood Cliffs, N. J. : Prentice-Hall, Inc. ,
1967.

Britt, Stewart Henderson, and Boyd, Harper W. , Marketing Manage-
ment and Administrative Action, New York: McGraw-
Hill, 1963.

Douglas, John, Tarpey, Lawrence X. , Field, George A. , Human
Behavior in Marketing, Columbus, Ohio: Charles E.
Merrill Books, Inc. , 1967.

Flanagan, G. A. , Modern Institutional Advertising, New York:
McGraw-Hill, 1967.

Greyser, Stephen A. , Toward Scientific Marketing, Chicago:
American Marketing Association, 1964.

Heidingsfield, Myron S. and Heby, Frank Jr. , Marketing and
Business Research, New York: Holt, Rinehart and
Winston, 1963.

Hill, John W. , Corporate Public Relations, New York: Harper,
            1958.

Hoel, Paul G. , Elementary Statistics, New York: John Wiley &
            Sons, Inc. , 1966.

Katz, Daniel and Kahn, Robert L. , The Social Psychology of
            Organizations, New York: John Wiley and Sons, Inc. ,
            1966.

Martineau, Pierre, Motivation in Advertising, New York: McGraw-
            Hill, 1957.

Myers, James, H. , Reynolds, William H. , Consumer Behavior and
            Marketing Management, Boston: Houghton-Mifflin,
            1967

Osgood, Charles E. , Suci, George T. , and Tannenbaum, Percy H. ,
            The Measurement of Meaning, Urbana: University
            of Illinois Press, 1957.

Riley, John W. , The Corporation and Its Publics, New York, Wiley
            & Sons, 1963.

Robinson, Edward J. , Communications and Public Relations,
            Columbus, Ohio: C. E. Merrill Books, Inc. , 1966.

Shao, Stephen P. , Statistics for Business and Economics, Columbus,
            Ohio: Charles E. Merrill Books, Inc. , 1967.

Siegel, Sydney, Non-Parametric Statistics for the Behavioral
            Sciences, New York: McGraw-Hill, 1956.

Webster, Frederick E. , New Directions in Marketing, Chicago:
            American Marketing Association, 1965.

Wright, John S. , and Goldstucker, Jac L. , New Ideas for Success-
            ful Marketing, Chicago: American Marketing
            Association, 1966.

Unpublished Study

Lippincott and Margulies, Inc. , "A Study of Department Store
Imagery, Conducted in Four Canadian Markets",
New York, 1964. (Mimeographed)

Periodicals

Bologer Jr. , John F. , "How to Evaluate your Company Image".
Journal of Marketing, October, 1959, pp. 21-27.

Carroll, R. F. "Building the Corporate Image". Financial Exec-
utive, April, 1963, pp. 33-38.

Clevinger, Theodore, Lazier, Gilbert A. , and Clark, Margaret
Leitner, "Measurement of Corporate Images, by the
Use of the Semantic Differential". Journal of
Marketing Research, February, 1965, pp. 80-84.

Festinger, Leon, "Behavioral Support for Opinion Change". Public
Opinion Quarterly, Fall, 1964, pp. 404-414.

Heaton, Eugene E. , "Testing a New Corporate Name". Journal of
Market Research, August, 1967, pp. 279-283.

Hovland, Carl, Weiss, Walter, "The Influence of Source Credibility
on Communication Effectiveness". Public Opinion
Quarterly, Winter, 1951-52, pp. 635-650.

Hughes, L. M. , "Thinking of Changing the Corporate Name?" Sales
Management, July 6, 1962, pp. 37-42.

Levinson, Harry, "How to Undermine an Organization". Public
Relations Journal, October, 1966, pp. 82-87.

Neadle, Dexter, "About Corporate Image and its Relation to Behavior".
Public Opinion Quarterly, Fall, 1964, pp. 293-303.

Mindak, William A. "Fitting the Semantic Differential to the
Marketing Problem". Journal of Marketing, April,
1961, pp. 28-35.

Newell, A. R. , "Customer Relations and Corporate Image". Public
    Utilities Fortnightly, May 10, 1962, pp. 15-18.

Roper, Elmo, "Corporate Advertising--What Does it Say?" Manage-
    ment Review, July 1962, pp. 39-42.

Spector, Aaron J. "Basic Dimension of Corporate Image". Journal
    of Marketing, October 1961, pp. 47-51.

Tucker, W. T. , "How Much of the Corporate Image is Stereotype?"
    Journal of Marketing, January, 1961, pp. 61-65.

Udell, John, "Can Attitude Measurement Predict Consumer
    Behavior" Journal of Marketing, October, 1965,
    pp. 46-50.

Hudson's Bay Company

INCORPORATED 2ND MAY 1670

EXHIBIT ONE

the Bay

EXHIBIT TWO

EXHIBIT THREE
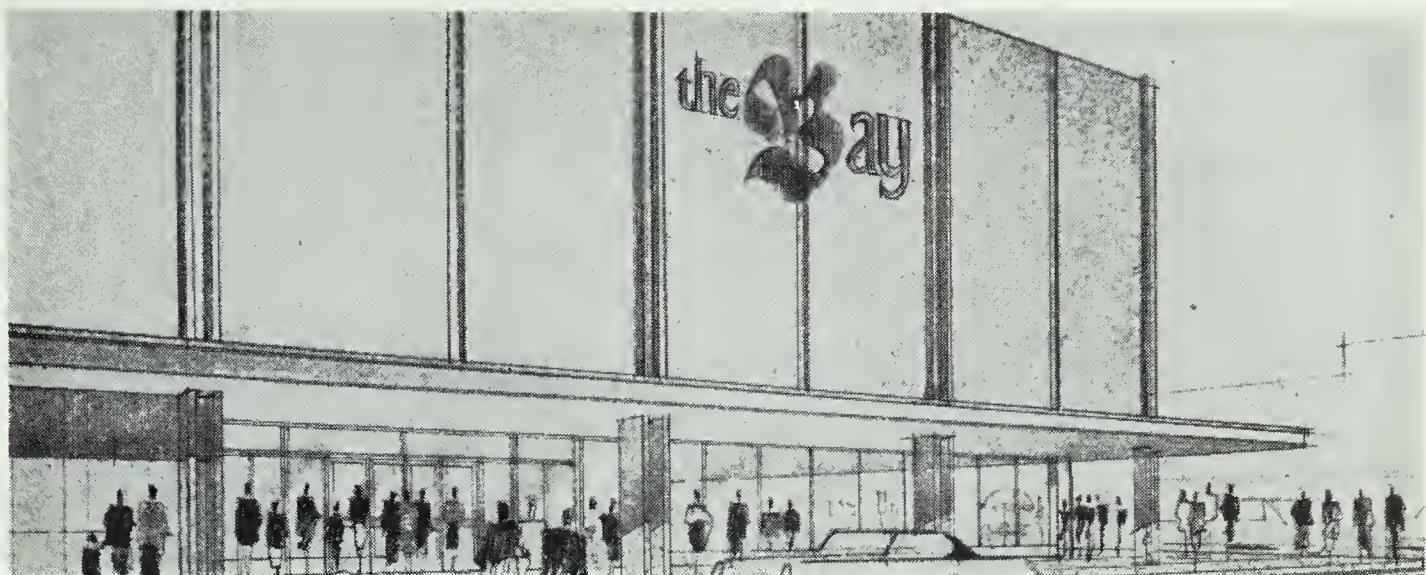
EXHIBIT FOUR

EXHIBIT FIVE

READ THIS TO THE RESPONDENT <u>AFTER</u> SHE HAS READ THE LETTER:

It is very important to the success of this questionnaire
that it is completed as quickly as is possible. Please do not
hesitate when answering the questions. Answer by indicating the
first thought that you have about the question. (The reason for this
is that the questions are designed to be answered accurately with a
minimum of consideration. They are measuring opinion and thus should
not be considered.)

The questionnaire should only take, at the most, ten minutes
of your time.

TO BE READ BEFORE QUESTION NINE:

This question must be done as fast as possible to allow the
results to be useful.

MAP of the
CITY of EDMONTON
SHOWING THE NUMBER ( ) OF
SALES, AND AVERAGE SALES
PRICE OF HOMES BY DISTRICT
FOR 1965.
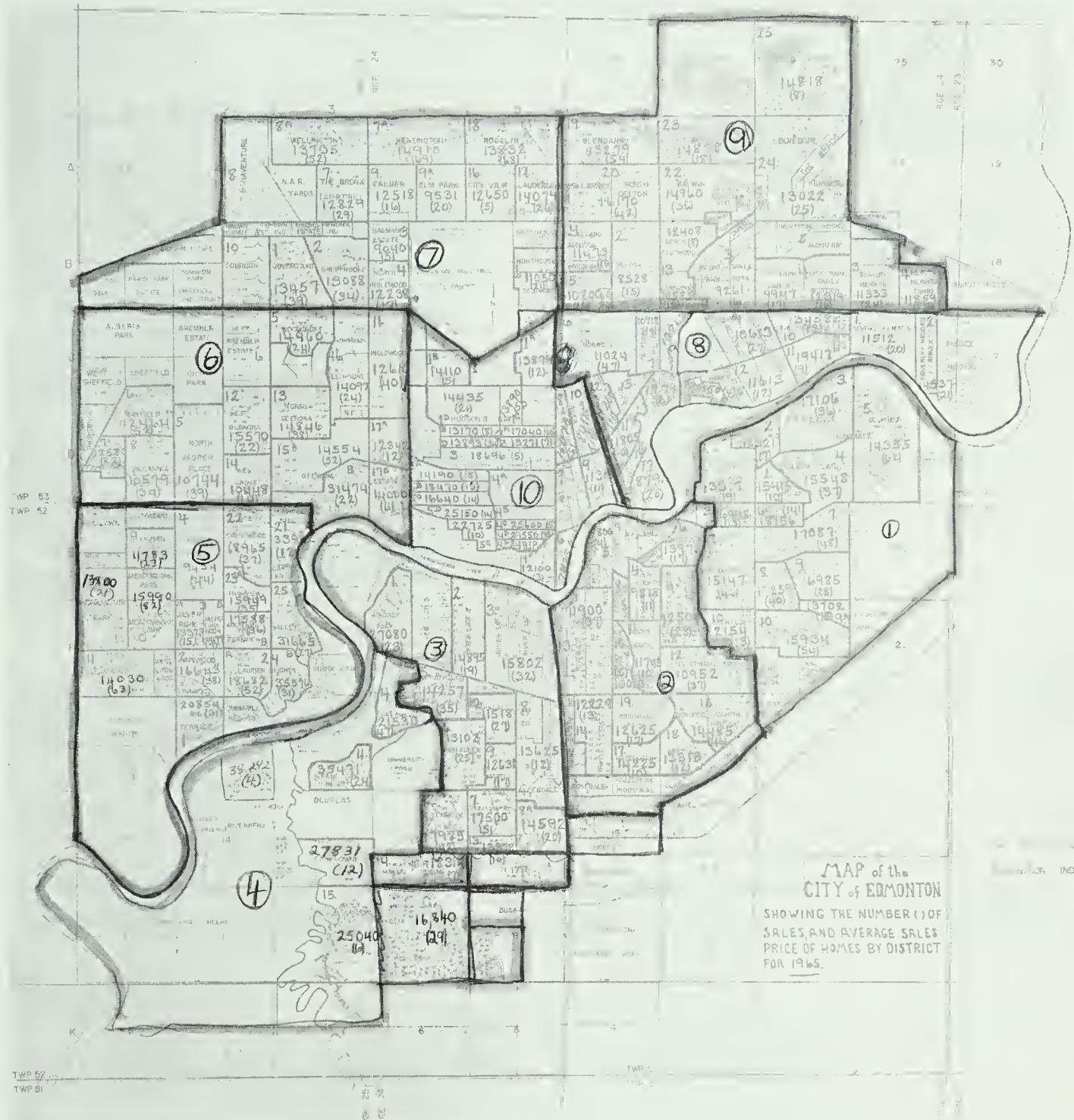
EXHIBIT SIX

QUESTIONNAIRE

We are gathering information from people in this area and would like some of your opinions.

1. At which of these types of stores have you made a purchase during 1968?

	Yes	No		Yes	No
Variety Store	___	___	Drug Store	___	___
Hardware Store	___	___	Discount Store	___	___
Department Store	___	___ *	Camera Store	___	___

   * IF NO PURCHASE MADE AT DEPARTMENT STORE, END INTERVIEW AND ERASE.

2. At what major store in the downtown area would you expect to find the most fashionable clothes?

   _____

3. When you are planning a shopping trip downtown what is the name of the store you normally plan to visit first?

   _____

4. When you think of the major department store on Jasper Avenue between 102nd Street and 103rd Street, what name do you immediately think of?

   _____

5. What color is the design on their bags and packages?

   _____

6. Do you like that color?   Yes____   No____   No opinion ____

7. Do you like the design on the packages? Yes____ No____   No opinion ____

8. Now, we would like your opinions on the Hudson's Bay Company
    Department Store, by having you judge on each word pair below.

    First - decide which side (word) is most appropriate to the
    Hudson's Bay Department Store.

    Second - decide HOW MUCH OR TO WHAT DEGREE you feel this way.

    There are no right answers. Your own opinion is what matters.
    Even where you don't have a strong opinion, BE SURE TO MARK A
    CHOICE. OTHERWISE YOUR OPINION CAN'T BE COUNTED.

    CIRCLE: O - when you feel very much this way.

                 o - when you feel somewhat this way.

                 . - when you feel very slightly this way.

    REMEMBER - These are your opinions about the Hudson's Bay
               Department Store.

		+3	+2	+1		-1	-2	-3	
1.	Exclusive	O	o	.		.	o	O	General
2.	Expensive	O	o	.		.	o	O	Inexpensive
3.	High Quality Merchandise	O	o	.		.	o	O	Poor Quality Merchandise
4.	Dependable	O	o	.		.	o	O	Unreliable
5.	Excellent Merchandise Selection	O	o	.		с	o	O	Poor Merchandise Selection
6.	Friendly Atmosphere	O'	o	.		с	o	O	Unfriendly Atmosphere
7.	Progressive Modern Store	O	o	.		.	o	C	Old Fashioned Store
8.	Competitive	O	o	.		.	c	C	Not Competitive
9.	Wide Store Aisles	O	o	.		.	o	O	Narrow Store Aisles
10.	Easy to Shop In	O	o	.		с	o	O	Difficult to Shop In
11.	Close to Parking Areas	O	o	.		.	o	O	Far From Parking Areas
12.	Excellent Store Displays	O	o	.		с	o	O	Poor Store Displays
13.	Many in-Store Services	O	o	.		.	o	O	Few in-Store Services
14.	Excellect in-Store Services	O	o	.		.	o	O	Poor in-Store Services
15.	Very Fashionable in Women's Clothes	0	o	.		.	o	O	Not Fashionable in Women's Clothes
16.	Very Helpful Sales People	O	o	.		.	o	O	Indifferent Sales People
17.	Good Interior Store Layout	O	o	.		.	o	O	Poor Interior Store Layout
18.	Store Looks Very Attractive From Out-Side	O	o	.		.	o	O	Store Looks Very Unattractive From Outside
19.	Convenient Location	O	o	.		.	o	O	Inconvenient Location
20.	Good Values	O	o	.		.	o	O	Poor Values
21.	Good Advertising	O	o	.		.	o	O	Poor Advertising
22.	Most Successful of the Major Stores	O	o	.		.	o	O	Least Successful of the Larger Stores in Town
23.	Active in Community Affairs	O	o	.		.	o	O	Not Active in Community Affairs

9. Now I would like your opinions about three of the major stores here in town, The Bay, Eatons and Woodwards. Here is a list of comments about department stores. They are all favorable as you will notice. Please glance over the list quickly so that you are familiar with the kind of statements on it.

Now read each statement carefully and everytime you come to one which YOU think applies to one of the Bay, Eatons, or Woodwards indicate the STATEMENT NUMBER AND THE STORE YOU consider the statement applies to. You may pick as many or as few as you think are applicable. Remember these are statements about all the department stores in town.

INTERVIEWER

ALTERNATE THESE NEXT TWO PAGES AS DIRECTED AT THE TOP OF THE RESPONSE SHEET. TO RECORD RESPONSES PLACE FIRST LETTER OF STORE'S NAME IN APPROPRIATE PLACE.

EXAMPLE

If a respondent says statement X-4 applies to the Bay, place a B, at Y-4. If this is the fifth respondent the answer will be placed on the fourth line down in the far right column.

SHEET X

X-1   Can depend on what is bought from them.

2   Their merchandise is of the highest quality which can be expected.

3   They are always a leader in fashion.

4   Their displays are always attractive, and an aid to shopping.

5   This store's layout is very convenient.

6   The atmosphere of the store is most friendly.

7   The store is easy to get to.

8   The store can be depended upon to have an item one is seeking.

9   The store is pleasant to shop in.

10   Their prices are always fair.

SHEET Y

Y-1   This store is one of the most progressive.

2   This is a fast growing and expanding company.

3   Any new shopping innovation is immediately introduced.

4   The store is always introducing the newest merchandise.

5   The management is progressive, imaginative and well trained.

6   The store is very strong in many areas.

7   This is the most successful major store in town.

8   The management and staff try to understand the need of the customer.

9   They always deal with complaints fairly and promptly.

10   The store tries to live up to its civic responsibilities, and participates heavily in this area.

RESPONSE SHEET

	X	Y	Y	X	X	Y	Y	X	X	Y
1.	___	___	___	___	___	___	___	___	___	___
2.	___	___	___	___	___	___	___	___	___	___
3.	___	___	___	___	___	___	___	___	___	___
4.	___	___	___	___	___	___	___	___	___	___
5.	___	___	___	___	___	___	___	___	___	___
6.	___	___	___	___	___	___	___	___	___	___
7.	___	___	___	___	___	___	___	___	___	___
8.	___	___	___	___	___	___	___	___	___	___
9.	___	___	___	___	___	___	___	___	___	___
10.	___	___	___	___	___	___	___	___	___	___

DATA SHEET

Name of Respondent _____

Address _____

Average Sales Price of Home
(Not to be Filled in Untill Later)   (_____)

General Appearance of Home . _____

Estimated Age of Respondent _____